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LAW No 3299

*Private Investment Incentives for Economic Development
and Regional Convergence*

THE PRESIDENT OF THE HELLENIC REPUBLIC

The following Law passed by the Parliament is hereby published:

Article 1

Purpose and kinds of aid awarded

For the purpose of enhancing balanced development, increasing employment, improving the competitiveness of the economy, boosting entrepreneurship, advancing technological change and innovation, the protection of the environment, the saving of energy and the achievement of regional convergence, the following kinds of aid shall be awarded to investment projects:

1. Investment projects qualifying under the provisions of this Law, shall be awarded the following kinds of aid:

a) Cash grants, consisting in the free provision by the State of an amount covering part of the aided expenditure of the investment project.

b) Leasing subsidies, consisting in the State's covering of part of the leasing installments paid for the acquisition of new mechanical and other equipment.

c) Tax relief in an amount up to a percentage of the total value of the aided expenditure of the investment project and/or the value of the leasing of new mechanical and other equipment, whose use is acquired. Tax aid consists in the exemption from the obligation to pay income taxes on undistributed earnings produced by all the activities of the enterprise during the first ten-year period from the implementation of the investment project, by way of the establishment of a tax-free reserve in the same amount.

d) Cost subsidies for the employment created by the investment project, consisting in the State's covering, for a period of two years, of part of the wage costs of the jobs created within the first three years from the completion of the investment project.

2. The aforementioned kinds of aid shall be awarded, alternatively, as follows:

- a) Cash aid and/or leasing subsidy;
- b) tax aid;
- c) cost subsidy for employment created.

3. In the special schemes prescribed by Article 9, a combination of more than one kind of aids may take place.

Investment projects, in the framework of this Law, shall mean investments, business plans and leasing programs.

Article 2

Division of the Greek Territory – Aid Zones

1. For the purposes of the application of the provisions of this Law, the Territory is divided into four (4) zones as follows:

- ZONE D: This includes the Prefectures of Xanthi, Rhodopi and Evros, the Industrial Business Zones (BEPE), as these are determined in Article 1, Law 2545/1997 (Official Gazette Issue No 254/A/1997), the Administrative Region of Epirus, the Islands of the Greek Territory with a population of up to 3,100, on the basis of the 1991 census, the islands of the Administrative Region of the Northern Aegean, the Isle of Thassos, the Prefecture of the Dodecanese with the exception of the area specified in the Ministerial Decision pertaining to the general urban plan of the city of Rhodes, and the border zone of continental Greece, up to a distance of 20 kilometers from the borders, including those Municipalities or Communities whose administrative boundaries are intersected by this zone.

Zone D is divided into sub-zones D1, D2 and D3 as follows:

D1: This includes the border zone of the continental part of Central and Western Macedonia, up to a distance of 20 kilometers from the borders, including those Municipalities or Communities whose administrative boundaries are intersected by this zone, the Prefecture of the Dodecanese with the exception of the area specified in the Ministerial Decision pertaining to the general urban plan of the city of Rhodes, the islands of the Administrative Region of Central Macedonia, Thessalia, the Ionian Islands, Central Greece, Attica, the Southern Aegean and Crete, with a population of up to 3,100 in accordance with the 1991 census.

D2: This includes the border zone of the continental part of Eastern Macedonia and Epirus, up to a distance of 20 kilometers from the borders, including those Municipalities and Communities whose administrative boundaries are intersected by this

zone, the BEPEs of the Administrative Region of Epirus, the islands of the Administrative Region of the Northern Aegean, the Isle of Thassos and the islands of Eastern Macedonia, Epirus, Western Greece and the Peloponnese, with a population of up to 3,100 in accordance with the 1991 census.

D3: This includes the Prefectures of Xanthi, Rhodopi and Evros.

- ZONE C: This includes the Lavreotiki Zone of the Prefecture of Attica, as this has been determined in joint decision Ref.No 37349/05.11.1991 (Official Gazette Issue no 950/B) of the Ministers for the Environment, Physical Planning and Public Works, National Economy and the Interior, as well as the regions, Prefectures or parts of the country's Prefectures which are not incorporated in zones D, B and A.

- ZONE B: This includes the Industrial Business Zones (BEPE), the Province of Langadas and the land west of the river Axios of the Prefecture of Thessaloniki as well as the Province of Troizinia of the Prefecture of Attica.

- ZONE A: This includes the Prefecture of Attica and Thessaloniki, with the exception of their parts which are incorporated in the other zones.

2. Foreign states and their specific regions which are subject to the provision of Article 3 paragraph 3, prescribing the support of the cash grant provided to certain investment projects implemented in these states, shall be determined by decision of the Minister of Economy and Finance, which shall remain in force for a period of two (2) years as of its date of issue.

The following may be determined, by derogation from the other provisions of this Law, by way of such decisions:

- a) the time of submission of the applications for aid;

- b) the assessment criteria;
- c) the procedure and investment project control organs;
- d) the manner of payment of the aid;
- e) the time limit set for the completion of the projects.

Article 3

Qualifying Investment Projects

1. The following investment plans shall qualify for the aids prescribed by this Law, as they are established for each sector of financial activity. They are classified in five (5) categories in order for the aid awarded to be determined:

a) Primary sector investment projects:

i) Investment projects for the extraction and crushing of industrial minerals and aggregate – CATEGORY 1.

ii) Investment projects for mechanical sowing, planting and harvesting equipment for farming products proposed by agricultural or agro-industrial cooperatives as well as groups of producers or associations of groups of producers, established under Community law, as these projects shall be determined in the joint ministerial decision of paragraph 2(a) of this Article – CATEGORY 1.

iii) Investment projects for the standardization, packaging or conservation of agricultural or stockbreeding products or fishing and aquaculture products which are not the result of a processing activity, as these shall be determined in the joint ministerial decision of paragraph 2(a) of this Article – CATEGORY 1.

iv) Investment projects proposed by agricultural hothouse businesses and biological farming, stabled and semi-stabled

stockbreeding businesses and modern technology fishery businesses (aquacultures), as these shall be determined in the joint ministerial decision of paragraph 2(a) of this Article – CATEGORY 1.

b) Secondary sector investment projects:

i) Investment projects for the extraction, processing and general exploitation of industrial minerals. Investment projects for the quarrying and exploitation of marble, provided these include cutting and processing equipment – CATEGORY 1.

ii) Mining investment projects – CATEGORY 1.

iii) Investment projects in the processing sector, as determined in the Statistical Classification of Financial Activity Fields (STAKOD) – CATEGORY 1.

iv) Investment projects for the production of energy in the form of hot water or steam – CATEGORY 1.

v) Investment projects for the production of biofuel or solid fuel from biomass, investment projects for the production of biomass from plants for the purpose of using it as raw material for the production of energy – CATEGORY 1.

vi) Investment projects for the production of electricity from soft energies, in particular wind power, solar power, hydroelectrical power, geothermal power and biomass, investment projects, irrespective of the installed power, for the joint production of electricity and heat – CATEGORY 4.

vii) Investment projects for sea-water or brackish water desalination for the production of potable water – CATEGORY 1.

viii) Investment projects for the relocation of tanneries from the Prefecture of Attica, Thessaloniki and Hania within the Industrial and Business Zones (BEPE) offering the appropriate

infrastructure, where such installation has been anticipated – CATEGORY 4.

ix) Investment projects for the production and/or standardization of Geographical Indication Products and/or Protected Designation of Origin Products, provided these are proposed by businesses housed in traditional or listed stone buildings and/or industrial complexes – CATEGORY 1.

c) Tourism sector investment projects:

i) Establishment or extension of three-star (3*), formerly B Class, or higher category hotel units - CATEGORY 2.

ii) Modernization of integrated operating two-star (3*), formerly C Class, or higher category hotel units, or hotel units which have temporarily suspended their operation for a maximum period of five (5) years, without any modification having taken place during that time in the use of the building, provided that at the time of their provisional suspension of operation their category was characterized by at least two stars (2*) – formerly C Class hotels – CATEGORY 4.

iii) Modernization of integrated operating two-star (2*), formerly C Class, or higher category hotel units, housed in buildings qualifying as listed or traditional, provided this modernization results to their upgrading to a category of no less than two stars (2*) – formerly C Class hotels. Moreover, modernization of integrated hotel units which have temporarily suspended their operation for a maximum period of five (5) years, without any modification having taken place during that time in the use of the building, provided that this modernization results to their upgrading to no less than two-star (2*) hotels – formerly C Class hotels – CATEGORY 4.

iv) Modernization of hotel units, involving the building

of supplementary premises with the addition of new communal areas, pools and sports facilities, in two-star (2*), formerly C Class, or higher category hotel units, for the purpose of offering additional services – CATEGORY 4.

v) Modification of traditional or listed buildings into two-star (2*) – formerly C Class – or higher category hotel units – CATEGORY 4.

vi) Modernization of integrated operating C Class or higher category campings – CATEGORY 4.

vii) Establishment, extension, modernization of conference centers – CATEGORY 4.

viii) Establishment, extension, modernization of ski centers – CATEGORY 4.

ix) Establishment, extension, modernization of spas – CATEGORY 4.

x) Establishment, extension, modernization of tourist ports for recreation craft (marinas) in connection with investment projects undertaken on the initiative of any natural person or legal entity under private law, in accordance with the provisions of Article 31, Law 2160/1993 (Official Gazette Issue No 118/A) – CATEGORY 4.

xi) Establishment, extension, modernization of golf courses – CATEGORY 4.

xii) Establishment, extension, modernization of thalassotherapy centers – CATEGORY 4.

xiii) Establishment, extension, modernization of health tourism centers – CATEGORY 4.

xiv) Establishment, extension, modernization of training – sports tourism centers – CATEGORY 4.

xv) Establishment, extension, modernization of theme

parks, operating as organized forms of tourism, which differentiate or expand the tourist product and provide integrated infrastructure and services, housing as a minimum eating facilities, entertainment facilities and social care facilities – CATEGORY 1.

xvi) Establishment, extension, modernization of car ports, necessary for the development of tourism in the country – CATEGORY 1.

d) Tertiary sector investment projects:

i) Investment projects undertaken by cooperating commercial and transport enterprises, under a single organizational structure, for the establishment of freight depots, freight centers and transit centers, as these shall be determined by way of the joint ministerial decision of paragraph 2(b) of the present Article – CATEGORY 4.

ii) Investment projects proposed by transport and/or commercial enterprises, under a single organizational structure, for the establishment of storage, packaging and standardization infrastructure as well as covered parking areas for trucks, as these shall be established by way of the joint ministerial decision of paragraph 2(b) of the present Article – CATEGORY 4.

iii) Investment projects for the provision of supply chain services – CATEGORY 4.

iv) Investment projects for the establishment of broadband network infrastructure and related equipment allowing access to civilians or businesses, at the level of local authorities, Regions etc. or other geographical areas of business interest – CATEGORY 4.

v) Investment projects for the provision of innovative wide scale electronic communication and broadband services,

based on the broadband infrastructure – CATEGORY 4.

vi) Software development investment projects – CATEGORY 4.

vii) Investment projects for the establishment of applied industrial, energy, mining, agricultural, stockbreeding, forestry and aquaculture research laboratories. Moreover, investment projects for the development of technologies and industrial plans – CATEGORY 4.

viii) Investment projects for the provision of services of highly advanced technology – CATEGORY 4.

ix) Investment projects for the establishment of laboratories providing quality assurance and/or advanced technology services and certification, testing and assessment services – CATEGORY 4.

x) Investment projects for the construction and operation of small industry business centers and premises in the special small industry and industry zones, as these are determined in the framework of the urban and physical planning, as well as premises for social and cultural events, central markets and slaughterhouses proposed by first or second degree local authorities or cooperatives. Also, investment projects proposed by the aforementioned organizations for the retrofitting and layout of old industrial plants and other sites as premises for social and cultural events, exhibition centers, central markets and slaughterhouses – CATEGORY 1.

xi) Investment projects proposed by liquid fuel businesses, fuel gas and liquid gas businesses, for the establishment of storage facilities or the acquisition of equipment for the transport of liquid fuel, fuel gas and liquid gas to islands – CATEGORY 1.

xii) Investment projects proposed by operators of means of transport of passengers and cargo to isolated, inaccessible and distant continental, island and lakeshore areas. These areas shall be determined by joint decision of the Ministers of the Economy and Finance and Merchant Marine – CATEGORY 4.

xiii) Investment projects for the establishment of treatment and rehabilitation centers, as these are determined in Article 10, Law 2072/1992 and investment projects for the provision of self catering housing to people with special needs, in accordance with Article 30 of the same Law – CATEGORY 1.

xiv) Investment projects for the establishment of public use covered parking stations for passenger cars of a capacity of no less than forty (40) spaces, in addition to those prescribed by the General Construction Regulations for the covering of the standing needs resulting from the uses of the building, provided these are undertaken by enterprises operating public use ground, underground or/and floating parking stations. Also, investment projects for the establishment of public use covered or semi-covered stations for trucks, buses and other heavy vehicles in general, of a capacity of no less than thirty (30) spaces – CATEGORY 3.

xv) Investment projects proposed by Holy Monasteries as well as the Holy Community of Mount Athos for the building and/or modernization of guesthouses or the building, extension, modernization or conversion of existing buildings into premises for social and cultural events, laboratories and small industry activities – CATEGORY 1.

e) Special investment projects proposed by enterprises carrying on the activities of sub-paragraphs (a) to (c) of this Law:

i) Investment projects for the protection of the environment, restriction of soil, subsoil, water and air pollution, the restoration of the natural environment and recycling of water and desalination of sea or brackish water – CATEGORY 4.

ii) Investment projects for the exploitation of renewable sources of energy, the substitution of fuel gas, processed waste material from domestic industry, renewable sources of energy for liquid gas or electrical power, the recovery of discharged heat, as well as the joint production of power and heat – CATEGORY 4.

iii) Power-saving investment projects, provided the investment project does not refer to production equipment, only to equipment and facilities required for the operation of the unit and provided furthermore that the implementation of the project shall result to a saving of no less than ten percent (10%) of the consumed power – CATEGORY 4.

iv) Investment projects for the production of new products and/or highly advanced technology services or products – CATEGORY 4.

v) Investment projects for the establishment, extension, modernization of applied industrial or mining or energy research laboratories – CATEGORY 4.

vi) Investment projects for the import and adaptation of environmentally friendly technology to the production process – CATEGORY 4.

vii) Investment projects for the production of innovative products or services related to the import of innovations into the production process and the merchandizing of innovative products and services – CATEGORY 4.

viii) Investment projects aiming at upgrading the quality of

produced products and/or services – CATEGORY 4.

ix) Investment projects for the acquisition and installation of new modern storehouse automation and computerization systems, including the necessary software, for the establishment, extension and/or development in the industrial plant of such facilities in the framework of the supply chain modernization – CATEGORY 4.

x) Investment projects for the establishment or extension of industrial or small industry business units for the alternative processing of packaging and other products consumed in Greece for the production of raw and other materials – CATEGORY 4.

xi) Investment projects for the implementation of an integrated, long-term (2-5 years) business plan for the undertakings (when more than five years have elapsed since the date of their establishment) of processing and mining enterprises, when the minimum overall cost involved is three million (3,000,000) Euros, and of software development enterprises, when the minimum overall cost involved is one million five hundred thousand (1,500,000) Euros, including technological, administrative, organizational and business modernization and development as well as the necessary training for the employees, in pursuit of one or more of the following objectives:

- Strengthening of their competitive position in the international market;

- Verticalization of production, development of integrated systems of products, services or complementary products and services;

- Production of products and/or provision of services which are significantly or entirely differentiated from the existing basic products or services offered by the enterprise;

- Transfer of production – research activities from abroad to the Greek Territory;

- Production of products and/or provision of services by an association of dissimilar enterprises (preferentially from different industries) aiming to produce products which differ significantly or entirely from their existing products or services – CATEGORY 5.

The specifications, terms and conditions for the specification of the investment projects of sub-paragraphs (a) to (e) shall be determined by joint decision of the Minister of the Economy and Finance and/or the Minister who has competence on the matter, as the case may be.

2.(a) The investment projects involving the production, processing and placing on the market of agricultural products falling within the scope of Annex I of the Treaty Establishing the European Community shall be determined by joint decision of the Ministers of Economy and Finance and Rural Development and Food.

By virtue of a similar decision, specifications, additional terms, conditions and prerequisites may be laid down for the award of aid to the investment projects of the aforementioned case, in accordance with Community legislation on state aid in the sectors of agriculture, fishery and aquaculture.

b) The investment projects for the establishment of broadband network infrastructure and innovative electronic communication and broadband services, as well as the investment projects for transport enterprises operating the transportation of passengers and cargo, are specified by decision of the Minister of Economy and Finance and/or the Minister who has competence on the matter, as the case may be, with due regard to

Community law.

3. Business activities carried out abroad by legal entities falling in the SME category, as these are defined in Regulation (EC) 70/2001 of the European Commission of 12.01.2001 (EL 2001 L 10/33), as amended and in force, and provided these keep accounting books corresponding to Category B and C books of the Greek Code of Accounting Books and Records, shall qualify for aid in the form of the cash grant prescribed by this Law, for the following investment projects:

a) Investment projects in any processing industry, only for the establishment of production units. Specific processing industries or sub-industries may be excepted from the aid by decisions of the Minister of the Economy and Finance.

b) Investment projects proposed by agricultural hothouse businesses, stabled and semi-stabled stockbreeding businesses and modern technology fishery businesses (aquacultures).

4. The following do not qualify for aid in accordance with the provisions of this Law:

a) Investment projects in the following industries:

i) Steel industry, as defined in Appendix B of the multisectoral framework on regional aid for large investment projects (Notice C (2002) 315, EL 2002 C 70/04).

ii) Synthetic fibre industry, as defined in Appendix D of the multisectoral framework on regional aid for large investment projects.

iii) Ship building and ship repairs industry, as defined in the framework on state aid to shipbuilding (2003/C317/06).

b) Investment projects of public enterprises and organizations. This prohibition does not involve their subsidiaries or the enterprises of first and second degree local authorities.

c) Enterprises operating in the form of a society, civil partnership or joint venture.

d) Enterprises that do not keep Category B and C books of the Greek Code of Accounting Books and Records.

5. Aided expenditure.

a) The investment projects which qualify in accordance with the provisions of this Law shall be awarded aid in connection with the following expenditures:

i) The construction, extension, modernization of buildings, special and auxiliary installations, as well as the costs for the layout of the surrounding grounds.

ii) The acquisition of finished or semi-finished buildings for use by industries or small industries which are inactive and have not been used for a period of no less than two (2) years prior to the submission of the qualification application under the provisions of this Law, provided they do not belong to a firm in difficulty, as defined in the Community guidelines on state aid for rescuing and restructuring firms in difficulty (Notice to Member States – 1999/C288/92) and provided moreover that they have not been previously awarded state aid.

iii) The acquisition of premises for use by small industries in standardized small industry buildings inside industrial business zones (BIPE, BIPA and BIOPA) and technology towns or parks, provided they do not belong to a firm in difficulty, as defined in the Community guidelines on state aid for rescuing and restructuring firms in difficulty (Notice to Member States – 1999/C288/92) and provided moreover that they have not been previously awarded state aid.

iv) The acquisition and installation of new and modern machinery and other equipment. The rents payable in connection

with the leasing of new and modern machinery and other equipment, whose use is acquired.

v) The acquisition and installation of new and modern automation systems, e-market establishment systems and computerization systems, including the acquisition expenditure for the necessary software and the equipment expenditure for electronic content protection.

vi) Expenditures related to studies aiming at the introduction, development and application of modern technology, know-how, modern methods and industrial designs in the production of products.

vii) Expenditures related to the disassembly, transport and reassembly of the existing equipment, in the case of enterprises which relocate for environmental reasons, provided they settle in BIPE, ETBA, other BEPE (BIPE, BIOPA and BIPA).

viii) The acquisition of new means of transport for the traffic of materials and products inside the grounds of the qualifying unit. The acquisition of new means of transport for the mass transportation of personnel. The acquisition and installation of new and modern equipment and the construction of premises for the traffic of materials and products.

ix) The acquisition of new refrigerated vehicles, only if they are an integral element of the unit.

x) The construction of new housing for workers, day nurseries, buildings or premises, as well as the acquisition and installation of equipment, intended to house, provide recreation or meals to the company employees, as well as personnel training facilities, provided these are constructed in the area where the enterprise is based.

xi) Expenditures related to the construction of the basic

system of piping which shall carry hot water or steam to the consumer, only in the case of investments involving the production of power in the form of hot water or steam.

xii) Expenditures related to the connection with the Public Power Corporation grid in the case of investments involving the production of electricity from renewable sources of energy or co-production.

xiii) Expenditures related to the basic preparatory works of the operation, involving roads, tunnels, shafts and access and delimitation slopes, in the case of ore extraction investments and investments involving the extraction, processing and exploitation of industrial minerals.

xiv) Expenditures related to the acquisition and installation of liquid fuel and liquid gas equipment and transportation in the islands.

xv) The acquisition and installation of equipment for means of transportation, with the exception of equipment intended for their infrastructure and management, provided they are necessary in order to serve the transport of passengers and cargo to isolated, inaccessible and distant areas.

xvi) Expenditures related to the undertaking of studies, the acquisition of new and modern equipment, the installation and operation of the necessary infrastructure and procedures, as well as expenditures related to product certification and quality assurance procedures, in accordance with the relevant European standards, by organizations accredited by the competent national authority.

xvii) Expenditures related to the import and adaptation of environmentally friendly technology to the production process.

xviii) Expenditures related to duties and charges payable

for the international registration of the invention by natural persons or legal entities, duties and charges payable for the annual renewal of the international registration of the invention for a period of five years, provided an investment in an amount of no less than ten times the amount of the duties and charges has begun to be applied towards its industrial operation.

xix) Expenditures related to the establishment or extension of industrial or small industry business units for the alternative processing of packaging and other products consumed in Greece for the production of raw and other materials.

xx) Expenditures related to the transfer of technology, exploitation licensing of technical expertise.

xxi) Expenditures related to studies and consultancy fees for the implementation of the investment project, subject to the restrictions laid down by the EU. In particular, the elaboration of all kinds of studies in connection with the implementation of the investment project and referring to the internal and external environment of the enterprise. Eligible are studies such as management organization, restructuring of the individual operations of the enterprise, redesign of the business processes, process standardization studies, market research studies, the elaboration of product or services promotion studies as well as comparative performance studies. These services are subject to the restrictions of sub-paragraph (c) below.

xxii) Acquisition of computers, necessary software and further development thereof, up to sixty percent (60%) of the overall cost of the investment project involving the development of software.

xxiii) Expenditures related to the construction of access network infrastructures as well as special auxiliary electronic

communications installations and equipment for the operation of the network and the support of its connection with existing networks.

b) The aided expenditures per category of investment shall be determined by decision of the Minister of the Economy and Finance and/or, as appropriate, by joint decision of the Minister of the Economy and Finance and Development, in accordance with Community law. Additional categories, terms or conditions applicable to aided expenditure per kind of investment project may be determined by a similar decision.

c) Expenditures must refer to fixed assets. Moreover, expenditure for intangible investments and consultancy fees may receive aid up to a percentage of no more than eight percent (8%) of the investment project cost. No operating costs shall receive aid.

Intangible investments must be assets subject to depreciation, used exclusively in the investment receiving aid and acquired by third parties under the terms in force in the market.

Aid for consultancy and study fees is only awarded to SMEs and does not refer to their usual operating costs.

6. The following do not qualify for aid under the present Law:

a) The acquisition of passenger cars with up to six (6) seats.

b) The acquisition of furniture and office furnishings.

c) The acquisition of land, fields and plots. Also, where buildings are acquired, the part of the expenditure involving the value of the plot whereon these buildings stand does not qualify for aid.

d) The construction or extension of buildings on a plot

which does not belong to the investment entity.

Exceptionally, the following investments may receive aid:

i) The construction of buildings on a plot which does not belong to the investment entity, where its use has been conceded for that purpose for a period of no less than fifteen (15) years by the State, the Greek National Tourism Organization, Tourism Development Co., BIPes, ETBAs, including those under a free zone status, other BEPEs (BIPE, BIPA and BIOPA), the Hellenic Olympic Committee, Olympic Real Estate S.A., first and second degree local authorities, foundations or societies, as well as by technological parks, when the construction of extension of buildings situated inside technological parks is involved.

Also, the construction of buildings on a plot which does not belong to the investor, where it has been leased from the State, legal entities or natural persons for a period of fifteen (15) years, the lease has been registered and the lessor has waived the right to use the property himself.

The period of concession or leasing is calculated from the date of issue of the investment qualification decision, as set forth in article 7 paragraph 11.

ii) Investments involving the construction of hothouses on a plot whose use has been conceded or leased for that purpose to the investment entity for a period of no less than ten (10) years.

iii) Investments involving the construction of ski centers, premises for the production of electricity from renewable sources of energy and golf courses on a plot whose use has been conceded or leased for that purpose to the investment entity for a period of no less than twenty (20) years.

iv) Coastal aquaculture investments.

The lease set forth in the present provision may also be established by way of a private instrument. The authenticity of the signature borne on the lease instrument may be certified by the public fiscal service where it is submitted. Following its submission, the instrument whereby the lease is established, shall be registered with the land transfer bureau of the district where the property is situated. As of the date of registration, the lease shall have the force prescribed in Article 618 of the Civil Code.

e) The modernization of integrated two-star (2*), formerly C Class, or higher category hotel units, prior to the expiration of a five-year period from the commencement of operation of the unit or from the date of issue of the investment completion decision for the unit, which had qualified for classification under the provisions of this Law or Laws 2601/1998, 1892/1990 and 1262/1982. The five-year period from the commencement of operation of the unit of this paragraph includes the period during which the unit operated as a room or apartment rental operation enterprise, in the case of hotel units which are the result of the compulsory conversion of a room or apartment rental unit. Exceptionally, the aforementioned modernization shall qualify for aid in connection with parts of the hotel unit which had not been covered by the previously received aid.

f) The modernization of integrated C Class or higher category campings, prior to the expiration of a five-year period from the commencement of operation of the unit or from the date of issue of the investment completion decision for the unit, which had qualified for classification under the provisions of this Law or Laws 2601/1998, 1892/1990 and 1262/1982. Exceptionally, in the case of campings whose modernization investment had qualified for classification under the provisions of

Laws 1262/1982, 1892/1990 and 2601/1998, for which a qualification application is submitted under this Law for their integrated modernization prior to the expiration of a five-year period from the completion of the previously approved modernization, the requested modernization may receive aid provided it refers to different parts of the site or/and the already modernized parts thereof where the advisability of the undertaking of further modernization works is found fully justified in the opinion of the competent Advisory Committee.

g) The construction, extension and modernization of self-catering units, rooms and furnished apartments for rent, irrespective of their category.

h) The contribution to the share capital of the value of machinery and other fixed assets.

i) Investments aiming at the simple replacement of the existing mechanical equipment, without resulting to the extension, any changes to the product produced by, or the production method of an existing plant.

Article 4

Aid awarded

1. The investment projects of the categories of Article 3 paragraph 1 shall receive the following aid, depending on their zone:

a) Cash grant and/or leasing subsidy on the basis of the percentages listed in the following table:

Investment Category	Zone A	Zone B	Zone C	Zone D1	Zone D2	Zone D3
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Category 1	0%	18%	30%	35%	40%	40%
Category 2	0%	13%	25%	35%	35%	35%
Category 3	40%	40%	40%	40%	40%	40%
Category 4	30%	30%	35%	35%	40%	40%
Category 5	35%	35%	35%	35%	35%	35%

An additional five percent (5%) in total shall be added to these percentages, with the exception of the investments in areas where the ceiling of the Regional Aid Map is exhausted and with the exception of Category 5 investments, provided one or more of the following conditions are met:

- An enterprise is established within an Industrial Business Zone (BEPE).
- A 4 or 5-star (A or AA Class) hotel unit is established.
- A traditional or listed building is turned into a hotel unit.
- A hotel is modernized and at the same time upgraded into a 4 or 5-star category.
- A hotel, which has been classified as a traditional or listed building, is modernized.
- A tourist enterprise is established within an Integrated Tourist Development Zone (POTA).
- The enterprise is considered new when a year has not elapsed from the time of its establishment or commencement of operation until the time of submission of the qualification application. Companies resulting from the conversion of another company or sole proprietorship or a merger between companies and/or sole proprietorships or companies having absorbed another company or sole proprietorship or sector thereof and com-

panies having been absorbed by another company, are not considered to be new.

Or, in the alternative:

b) Tax relief on the basis of the percentages listed in the following table:

Investment Category	Zone A	Zone B	Zone C	Zone D1	Zone D2	Zone D3
Category 1	0%	50%	100%	100%	100%	100%
Category 2	0%	50%	100%	100%	100%	100%
Category 3	100%	100%	100%	100%	100%	100%
Category 4	100%	100%	100%	100%	100%	100%
Category 5	100%	100%	100%	100%	100%	100%

Or, in the alternative:

c) Cost subsidy for the employment thus created, on the basis of the percentages listed in the following table:

Investment Category	Zone A	Zone B	Zone C	Zone D1	Zone D2	Zone D3
Category 1	0.0%	18.4%	35.1%	40.0%	45.5%	48.1%
Category 2	0.0%	18.4%	33.2%	40.0%	45.5%	45.5%
Category 3	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%
Category 4	35%	35%	40.0%	40.0%	45.5%	48.1%
Category 5	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%

2. The aid awarded in the form of a percentage of the investment project cost, when converted into Net Grant Equivalent, may not exceed the percentages of the EU approved Regional Aid Map.

3. Where SMEs are concerned, as the term is defined from time to time in Community law, an additional aid percentage of up to fifteen percent (15%) shall be awarded, with the exception of the transport sector enterprises. The specific percentage per prefecture is determined by joint decision of the Ministers of Economy and Finance and Development, on the basis of the criterion of the per capita GDP in Equivalent Purchasing Power Units based on the latest available, year 2001, data of the national Statistical Service of Greece, as follows:

- Where the frontier Prefectures of Drama, the Dodecanese, Evros, Thesprotia, Ioannina, Kastoria, Kilkis, Lesvos, Xanthi, Pella, Rhodopi, Samos, Serres, Florina, Chios, as well as Prefectures with a per capita GDP of less than or equal to sixty-five percent (65%) of the EU average, for the same year 2001, are concerned, an additional cash grant and/or leasing subsidy or employment cost subsidy shall be awarded, equal to fifteen percent (15%) calculated on the basis of cost of the aided investment.

- Where Prefectures with a per capita GDP of more than sixty-five percent (65%) of the EU average, for the same year 2001, are concerned, an additional cash grant and/or leasing subsidy or employment cost subsidy shall be awarded, equal to five percent (5%) calculated on the basis of the cost of the aided investment.

4. In any event, the cash grant and leasing subsidy and employment cost subsidy percentages awarded may not go beyond fifty-five percent (55%). The cash grant percentages awarded for consultancy study fees may not go beyond a maximum of fifty percent (50%) of such fees.

5. Where investment projects involving more than fifty

million (50,000,000.00) Euros are concerned, the maximum aid awarded shall be determined as follows:

a) For the part of the investment up to fifty million (50,000,000.00) Euros, one hundred percent (100%) of the applicable regional aid ceiling shall be awarded;

b) For the part from fifty million (50,000,000.00) up to one hundred million (100,000,000.00) Euros, fifty percent (50%) of the applicable regional aid ceiling shall be awarded;

c) For the part in excess of one hundred million (100,000,000.00) Euros, thirty-four percent (34%) of the applicable regional aid ceiling shall be awarded.

If for the qualification of investments for aid under the provisions of this Law a prior approval of the European Commission is required, the qualification decision procedure shall commence after such approval is secured.

6. In the automobile industry sector, as this is determined in Annex C of the multisectoral framework on large investment projects, the aid ceiling for investments with an aided cost of more than fifty million (50,000,000.00) Euros or investments whose aid exceeds the amount of five million (5,000,000.00) Euros in GDP shall be equal to thirty percent (30%) of the regional aid ceiling prescribed by the EU approved Regional Aid Map.

7. In the case of the investment projects of Article 3 paragraph 3(a) and (b), only aid in the form of a cash grant shall be offered, whose percentage shall be determined by decision of the Minister of Economy and Finance, in accordance with Community law.

Article 5

Conditions, restrictions and terms for awarding aid

1.(a) Investment projects which exceed the following minimum amounts, as the case may be, shall qualify for application of the provisions of this Law.

- For large enterprises, five hundred thousand (500,000.00) Euros;

- For medium-sized enterprises, two hundred and fifty thousand (250,000.00) Euros;

- For small enterprises, one hundred and fifty thousand (150,000.00) Euros;

- For very small enterprises, one hundred thousand (100,000.00) Euros.

The size of the enterprise concerned shall be determined on the basis of Commission Regulation (EC) No 70/2001 of 12.01.2001 (EL 2001L 10/33), as amended and in force.

The minimum limit of this paragraph may be readjusted and a different minimum amount of investment for the award of aid in the case of specific sectors of financial activities or areas characterized by development and employment difficulties may be determined by decision of the Minister of Economy and Finance.

b) In particular in the case of aid taking the form of tax relief, investment projects aiming at the modernization of small industry units which are implemented by very small enterprises and which exceed the minimum amount of thirty thousand (30,000.00) Euros shall qualify.

c) The aid awarded to each investment entity may not exceed cumulatively for a five-year period a ceiling of twenty million (20,000,000.00) Euros for investments referring to the

same production process.

2. Legal form of enterprises qualifying for the award of aid.

Enterprises whose investment projects involving amounts of more than two hundred thousand (200,000.00) Euros qualify for aid under this Law, shall be required, at the latest by the date of disbursement of the first installment of the aid, to operate in the form of a commercial company or cooperative.

Holy monasteries and the Holy Community of Mount Athos shall not be required to establish a company in order to implement the investments.

3. Investor's participation

A.(a) The amount of the investor's participation in investments incorporated in the cash grant and/or leasing subsidy aid scheme may not be less than twenty-five percent (25%) of the aided expenditure.

b) The amount of the investor's participation in an investment approved by virtue of the qualification decision, may not be reduced after the issue of said decision.

c) The investor's participation in investments incorporated in the cash grant and/or leasing subsidy aid scheme constitutes owners' equity in the case of sole proprietorships and Holy Monasteries and shareholders' equity in the case of other corporate forms. Where cooperatives are concerned, the term investor's participation is deemed to mean in the case of new entities their paid-up capital and in the case of existing entities the amount of increase of their capital or the amount of the reserve established for that purpose. In all other cases, the term investor's participation shall be deemed to mean in the case of new enterprises their paid-up share and in the case of established

companies the amount of increase of their share capital resulting from new contributions in cash made by the partners or, as the case may be, the reserves after taxes, as these are prescribed by the legislation in force, with the exception of the legal reserve, without need for an increase of the share or corporate capital and provided these reserves shall not be subject to distribution prior to the expiration of five years from the completion and commissioning of the investment. These reserves shall appear in a separate account in the enterprise's accounting books. If they are distributed prior to the expiration of a five-year period, the penalties of Article 10 shall be applied. An enterprise's reserves after taxes (extraordinary reserves) constitute an investor's participation in the investment, provided during the investment assessment stage the adequacy of the enterprise's fluidity, after the deduction of the amounts of its disposable assets which are going to form its participation in the investment, is checked and established.

For the investments of Article 3 paragraph 1 section (e) subsection (xi), in order for the investor's participation to be calculated only the part of the investment which refers to investments on fixed assets shall be taken into account.

d) The increase of the corporate or cooperative capital of existing companies or cooperatives shall take place after the submission of the qualification application for aid under the provisions of this Law.

The increase of the capital of corporations (SAs) or limited liability companies may take place even before the submission of the qualification application, provided it takes place within the last twelve (12) months prior to the submission of the qualification application exclusively, in accordance with the relevant

resolution of the General Meeting of the Shareholders or Partners, respectively, for the purpose of using the new capital as investor's participation in the particular investment and provided furthermore that at the time of submission of the investment or project qualification application, this capital can be proven to still exist in the form of disposable assets and has not been spent.

B. Where investments qualifying for aid in the form of tax relief or cost subsidy for created employment are concerned, no less than twenty-five percent (25%) of the cost must be covered by the financial contribution of the investment entity, consisting in equity or a loan, provided this part is not accompanied by any state aid.

4. Revision of aided investment cost.

The decision whereby the completion and commissioning of the investment are certified may, at the investor's request, revise the investment project cost which is subject to aid, which in the case of an increase may not be increased by more than fifteen percent (15%) of the approved amount. For the determination of the revised investment cost amount, any markups and differentiation which may have occurred in the various individual cost items of the investment during its implementation are taken into account.

5. Completion time limit – Possibility of extension of the time limit set for the completion of the investment

The time limit laid down in the qualification decision for the completion of the investment may be extended for a maximum of two (2) years, provided that: (a) the submission of the request to that effect shall take place at the latest within an exclusive time limit of six (6) months from the expiration of the

time limit for the completion initially laid down in the qualification decision, and (b) fifty percent (50%) of the approved project shall have been completed.

If the works are suspended or delayed for reasons of force majeure, the investment completion time limit may be extended for an additional period of time equal to that of the suspension or delay. Where the force majeure event occurs during the time limit initially laid down in the qualification decision, the relevant request must only be submitted within the time limit for the completion initially laid down in the qualification decision without need for the performance of fifty percent (50%) of the approved project.

If, without the occurrence of any event of force majeure, the investment is concluded within six (6) months from the expiration of the initial or extended time limit, the completion and commissioning of the investment may be certified only upon the submission of a request for certification in accordance with the provisions of Article 8 paragraph 1(b), and only costs incurred in a timely manner shall be awarded aid.

6. Commencement of investment project implementation

a) The investment projects of this Law may commence upon the submission to the competent service of a qualification application accompanied by the necessary supporting documents.

b) Investment expenditures preceding the date of submission of the qualification application shall not be taken into account for the determination of the cost qualifying for aid or the investor's participation.

c) The commencement of the investment's implementation prior to the publication of the qualification decision in the Official Gazette may take place at the exclusive risk of the in-

vestor and shall not be binding on the Advisory Committee's opinion or the Administration's decision as to the submission of the investment or not under the provisions of this Law.

d) Exceptionally, when a qualification application is submitted by entities, whose units have been affected by fire, flood or other natural phenomena, in connection with investments connected with the restoration of the affected units, the investment projects, leasing contracts and other works performed during the period which elapsed from the time of the fire or natural phenomenon which caused the damage until the date of submission of the qualification application shall be taken into account for the calculation of the aid, provided these have been performed within a period of no more than twelve (12) months prior to the submission of the application and the application is submitted within one year of the occurrence of the event.

7. Conditions, restrictions and terms for investment loans

If the investment project submitted for aid also provides for the use of a loan, then:

- i) the period of the loan must be no less than four years;
- ii) the loan must have the form of a bank loan or bond loan, whether through a public offering or not, or a loan granted by other financial institutions, with the exception of the form of an open account;
- iii) the loan must be granted for the implementation of the investment project, as this shall be explicitly set forth in the relevant loan contract, and
- iv) the loan must have been approved by the financing bank or financial institution at the time of submission of the qualification application. The relevant approval instrument must

set forth the terms under which the loan is granted and, in particular, the amount, period, interest rate, grace period and securities thereof and must be included in the qualification application file submitted.

The investment loan may also be granted in foreign exchange.

8. Conditions, restrictions and terms for equipment leasing subsidies

a) Leasing subsidies for programs for the acquisition of the use of new and modern mechanical and other equipment shall be awarded provided that after the end of the lease the equipment shall pass to the ownership of the enterprise. This term must be set forth in the relevant leasing contract.

b) The period of the leasing may not be more than five years.

9. Conditions, restrictions and terms for the award of aid on the basis of created employment

a) The subsidy refers to jobs associated with the implementation of the investment. Jobs associated with the investment are the new jobs created within the first three years from the completion and commissioning of the investment in order to serve its needs, as well as jobs created during the same period of time as a result of the increased production force use factor which is attributable to the investment in question.

Created employment represents the net increase in the number of full or part-time jobs in addition to those existing at the time of the completion.

b) The aid shall be paid as calculated on the basis of the wage costs of all the jobs associated with the investment and shall be paid for the first two years as of the establishment of

each job. Wage costs include the amount of pay before taxes, as well as obligatory social security contributions.

10. Conditions, restrictions and terms for the award of aid to the investments involving the production of highly advanced technology as well as the investments or business programs involving the provision of highly advanced technology services of Article 3 paragraph 1 sub-paragraph (d) section (viii) and sub-paragraph (e) section (iv).

a) In order for products or services to be characterized as highly advanced technology products or services, it is necessary for the Special Committee of Experts of the General Secretariat for the Development of the Ministry of Development to give its opinion, on the basis of the proposed investment project, within one (1) month from the date of transmission of the investment or project file to the competent service of the Ministry of Development.

The criteria and assessment procedures for the characterization of the products or services as highly advanced technology products or services shall be determined by joint decision of the Ministers of Economy and Finance and Development.

b) The specifications which the investments shall be required to fulfill for the provision of highly advanced technology services shall be laid down by joint decision of the Ministers of Economy and Finance and Development.

The Special Committee of Experts, in its opinion set forth in sub-paragraph (a), shall assess whether these specifications are met or not in the enterprises involved in the provision of highly advanced technology services, in order for them to qualify for the award of the aids of this Law.

11. Conditions, restrictions and terms for the award of

aid to investment projects involving the production of the new products or services of Article 3 paragraph 1 sub-paragraph (e) section (iv).

a) New products shall mean those which, at the time of submission of the qualification application for the aid prescribed by this Law, are not produced by any other production units in the country, whether in an identical or varied form.

b) In order for products to be characterized as new products, it is necessary for the Special Committee of Experts of the General Secretariat for the Development of the Ministry of Development to give its opinion, on the basis of the proposed investment project, within one (1) month from the date of transmission of the investment or project file to the competent service of the Ministry of Development. The criteria and procedures for the assessment by the General Secretariat for the Development of the characterization of products as new products shall be laid down in the joint decision of paragraph 10 sub-paragraph (b).

12. Conditions, restrictions and terms for the award of aid to the software development investment projects of Article 3 paragraph 1 sub-paragraph (d) section (vi) and sub-paragraph (e) section (xi).

a) The specifications which these enterprises shall be required to fulfill as well as the necessary information which must accompany the file submitted by them in order for the aid prescribed by this Law to be awarded shall be laid down in a joint decision of the Ministers of Economy and Finance and Development.

b) Their characterization as software development investments shall be based on the opinion of the Special Commit-

tee of Experts of the General Secretariat for the Development of the Ministry of Development, issued within one (1) month from the date of transmission of the investment file to the competent service of the Ministry of Development.

13. Conditions, restrictions and terms for the award of aid to: (i) investments involving the establishment of applied industrial, energy, mining, agricultural, stockbreeding, forestry and aquaculture research laboratories, and (ii) investment projects for the development of technologies and industrial plans, as set forth in Article 3 paragraph 1 sub-paragraph (d).

In order for these investment projects to be characterized as such, it is necessary for the Special Committee of Experts of the General Secretariat for the Development of the Ministry of Development to give its opinion, on the basis of the proposed investment project, within one (1) month from the date of transmission of the investment or project file to the competent service of the Ministry of Development. The criteria and procedures for the assessment by the General Secretariat for the Development of the characterization of products as new products shall be laid down in the joint decision of paragraph 10 sub-paragraph (b).

14. Conditions, restrictions and terms for the award of aid to the environmental and energy investments of Article 3 paragraph 1 sub-paragraph (e) sections (i), (ii) and (iii).

a) In the case of investment projects involving the protection of the environment, restriction of soil, subsoil, water and air pollution, the restoration of the natural environment and recycling of water, the Ministry for the Environment, Physical Planning and Public Works shall decide on their characterization as such within one (1) month from the date of transmission of

the file to the competent service of the Ministry for the Environment, Physical Planning and Public Works, provided this is deemed necessary by the competent investment or product assessment service.

b) In the case of investment projects involving the exploitation of renewable sources of energy, aid shall be awarded provided the investment or leasing program do not refer to the production equipment, only to the operation equipment and facilities and provided furthermore that the implementation of the investment or project shall result to a saving of no less than ten percent (10%) of the consumed power.

c) In the case of the investments or projects of Article 3 paragraph 1 sub-paragraph (e) sections (ii) and (iii), the General Secretariat for Energy of the Ministry of Development shall issue its opinion on their characterization as such within one (1) month from the date of transmission of the file to the competent service of the General Secretariat for Energy.

15. Conditions, restrictions and terms for the award of aid to the investments involving the production of innovative products and the merchandising of innovative products, as well as the import of innovations into the production process of Article 3 paragraph 1 sub-paragraph (e) section (vii).

a) For the needs of this Law, the term innovation shall mean the applied use of knowledge for the creation of new or improved products and processes and services which are in need of immediate production and commercial approval. Acceptable fields of innovation are those which involve products, services, the production process and development of technology.

b) In the case of business plans referring to an innovation, the originality, focus and clarification of the optimum

field of application or specific application of the novel idea, the degree of improvement of the technical and financial numbers of the targeted product and production process and service, the existence and use or securing of use of isolated or combined existing patents and brevets d'inventions, the existence and use of credible research and development results, the originality in the combination of know-how originating from different areas and sectors and the degree of certainty of the sale of the products and services or degree of certainty of the use of processes shall be assessed. A certificate issued by the Industrial Property Organization for a novelty and a patent shall be a positive, though not decisive or necessary factor in the assessment and qualification of the proposed investment in the innovations category.

c) The criteria and procedures for the assessment by the Special Committee of Experts of the General Secretariat for the Development for the characterization of products, production processes and services as innovative shall be determined and supplemented by joint decision of the Ministers of Economy and Finance and Development.

These investment shall be characterized by way of an opinion to that effect of the Special Committee of Experts of the General Secretariat for Development of the Ministry of Development within one (1) month from the date of transmission of the investment file to the competent service of the Ministry of Development.

The criteria and procedures for the assessment by the General Secretariat for the Development of the characterization of products as innovative and investments as production process innovations shall be determined by virtue of the joint decision of paragraph 10(b).

16. Conditions, restrictions and terms for the qualification of investments involving the establishment or extension of hotel units, as set forth in Article 3 paragraph 1(c).

a) Investments involving the establishment or extension of hotel units may only be awarded aid if they are implemented:

i) In Integrated Tourist Development Zones (POTA), as these are defined in Law 2545/1997 (Official Gazette Issue No 254/A).

ii) In the parts of the aided zones of the Territory which are not included in the joint decision of the following subparagraph (b). In order for the establishment or extension of hotel units in these parts of the Territory to qualify for aid, the following conditions must be met: (a) the investment must be implemented in a tourism-recreation zone, characterized as such in accordance with the physical or urban planning criteria, and (b) the necessary infrastructure for the smooth and effective operation of the hotel unit must be secured. The concurrence of these conditions is established, as appropriate, by virtue of a special opinion issued by the National Tourism Organization, issued by said Organization and submitted to the competent Private Investments Service at the time of the submission of the qualification application.

b) By joint decision of the Ministers of Economy and Finance, Tourist Development and the Environment, Physical Planning and Public Works, issued every two (2) years and not subject to amendment within said two-year period, certain parts of the Territory with an overcrowding of tourist activity may be determined, where aid in the form of cash grants, leasing subsidies and wage cost subsidies as prescribed by this Law shall not apply to the establishment or extension of hotel units.

17. Conditions, restrictions and terms for the award of aid to the investments involving the repair, restoration and conversion of traditional or listed buildings into hotel units of Article 3 paragraph 1(c).

In order for these buildings to receive aid, whether they are situated inside a settlement which has been characterized as traditional or listed or not, they must be characterized as listed by the Ministry of Culture or by the Ministry for the Environment, Physical Planning and Public Works or as traditional by the Ministry for the Environment, Physical Planning and Public Works or the National Tourism Organization.

18. Conditions, restrictions and terms for the award of aid to the investments involving the integrated modernization of hotel units or campings of Article 3 paragraph 1(c).

The nature and extent of the works to be included in the modernization of the hotel unit or camping in order for them to be considered as integrated and to enable the award of the aid of this Law, shall be determined by joint decision of the Ministers of Economy and Finance and Tourist Development.

19. Conditions, restrictions and terms for the award of aid to the conference center, ski resort, thalassotherapy, health tourism center, training-sports tourism center, spa operation and thematic park investments of Article 3 paragraph 1(c).

The specifications, which the aforementioned units shall be required to comply with, shall be determined by joint decision of the Ministers of Economy and Finance, Tourism Development and the Environment, Physical Planning and Public Works. Qualification applications submitted by entities for the award of the aid of this Law to investments or equipment leasing programs for the aforementioned units must be accompanied by an

approval issued by the National Tourism Organization certifying compliance with the applicable specifications.

20. Conditions, restrictions and terms for the award of aid to the investments involving tourist ports for recreation craft (marinas) and golf courses of Article 3 paragraph 1(c).

Qualification applications submitted by entities for the award of the aid of this Law to marinas and golf courses must be accompanied by an approval issued by the General Directorate for the Support of Recreation Ports of the Ministry of Tourism for their establishment or extension or modernization, respectively.

21. Conditions, restrictions and terms for the award of aid to the investments of Article 3 paragraph 1 sub-paragraph (d) section (xiii) involving treatment and rehabilitation centers and units providing self-catering housing to people with special needs.

Qualification submissions submitted by entities for the award of the aid of this Law to the investments of the aforementioned enterprises must be accompanied by the required, as the case may be, approval of the ministry of Health and Welfare, in accordance with the provisions of Articles 10 and 30, Law 2072/1992 (Official Gazette Issue No 125/A), respectively.

22. Conditions, restrictions and terms for the award of aid to the investments of Article 3 paragraph 1 sub-paragraph (d) section (xiv) involving the establishment of public use parking stations.

a) The investments of these enterprises must involve the establishment of public use covered parking stations.

b) The suitability of the specific grounds and area intended for the establishment of the parking station in relation to

the parking needs must be ensured.

c) The establishment and operation of the parking station in the specific grounds must be compatible with the other existing or programmed functions of the area of establishment.

d) The investment project for the establishment of a public use parking station must operate independently and separately and not serve an adjoining enterprise, whose operation results to the concentration of a large number of persons and which belongs to the same entity either in total or in part.

e) The concurrence of the prerequisites in subparagraphs (b) and (c) hereinabove is certified by the Organizations of the Cities of Athens and Thessaloniki, for the areas falling within their scope of competence, or the Regional Services of the Ministry for the Environment, Physical Planning and Public Works, for the remaining areas of the country. This approval, as well as the relevant licence from the Ministry of Transport and Communications and the appropriate Transportations Directorate of the local Prefecture, must accompany the qualification application submitted by the entity for the award of aid to the investment projects involving the establishment of such stations.

23. Conditions, restrictions and terms for the award of aid under this Law to the investments of Article 3 paragraph 1 sub-paragraph (b) section (vi) involving the production of electricity from soft energies or the joint production of electricity and heat.

The qualification applications submitted by entities for the award of the aid of this Law to the investments and/or equipment leasing programs for the production of electricity or joint production of electricity and heat must be accompanied by an installation licence issued by the Ministry of Development.

24. Conditions, restrictions and terms for the award of aid to the investments of Article 3 paragraph 1 sub-paragraph (a) section (i) involving the extraction and crushing of industrial minerals and aggregate.

For the investments of the aforementioned case, the competent Directorate of the local prefectural authority shall check the validity or invalidity of the exploitation licence, the installation and operation licence of the site within one (1) month from the transmission of the investment and/or project file.

25. Conditions, restrictions and terms for the award of aid to investments involving the extraction, processing and general exploitation of industrial minerals and the mining investments of Article 3 paragraph 1 sub-paragraph (b) sections (i) and (ii).

For the investments of the aforementioned cases the General Secretariat for Energy of the Ministry of Development shall give its opinion as to the validity or invalidity of the mine ownership rights, the exploitation licence and the operation licence of the site, within one (1) month from the transmission of the investment and/or project file.

26. Conditions, restrictions and terms for the award of aid in the form of tax relief.

a) The tax-free reserve of the tax relief shall be calculated on the basis of the net profits, as these are declared in the income tax returns filed in a timely manner, result from the books kept by the enterprise and appear in the balance sheet, and as these were produced by the entirety of the activities of the entity, whether these are included in the activities which are subject to this Law or not, and irrespective of the zone where these are carried out, after the deduction of the profits which

are exempt from income tax, the withholdings intended for the legal reserve and the profits of the business year which are actually distributed or undertaken by the partners or the entrepreneur. Where corporations (SAs) and limited liability companies are concerned, for the calculation of the aforementioned legal reserve and the amounts to be distributed, the relevant amounts shall be converted with the addition of the corresponding tax. Where enterprises keeping Category B books of the Greek Code of Accounting Books and Records are concerned, the tax relief shall apply to the net profits declared in the initial income tax returns, following the deduction of withdrawals.

b) The tax-free reserve shall be created from the profits of the administration period during which the investment was implemented. If no profits are made in that period or if the profits made do not suffice, the tax-free reserve shall be created from the profits of the immediately following administration periods, until the percentage of the value of the aided investment or the value of acquisition of the equipment acquired under leasing is covered, provided these periods do not exceed the number of ten (10).

c) Where investments are concerned whose implementation lasts for more than one (1) administration period, the option is granted for the creation of a tax-free reserve from the profits of each administration period in connection with the costs of the investment implemented during that period, subject to the condition that the investment shall be concluded within five years from its date of commencement. When the equipment is acquired by leasing, the tax-free reserve is calculated on the part of the equipment's acquisition value, which is included in the rents paid during the relevant administration period, subject to the

condition that the investment or project shall be concluded within five years from its date of commencement and that after the expiration of the contract the equipment shall pass to the ownership of the enterprise.

d) The tax-free reserve of the tax relief appears in separate accounts in the enterprise's accounting books.

e) The entities awarded aid in the form of tax relief are required to keep additional accounting books, as these are set forth in Presidential Decree 186/1982 (Official Gazette Issue No 84/A).

27. Only SMEs, as these are defined in Commission Regulation (EC) No 70/2001 of 12.01.2001 (EL 2001 L 10/33), shall qualify for the aid scheme of this Law in connection with the investments abroad of Article 3 paragraph 3.

Enterprises whose production activity has a negative effect on the respective activity carried out in Greece with the result of a reduction in employment and exports, as well as enterprises which have suspended or reduced their business activities in Greece, as set forth in the following paragraph, during the last three years preceding the submission of the qualification application shall not qualify for the aforementioned aid scheme.

The investment entities abroad, which qualify for the aid scheme of this Law, may not suspend or reduce in any manner any other business activities that they may carry out either themselves or through associated enterprises in Greece.

a) The reduction of business activity shall be deemed to include a cutback in jobs.

b) The term associated company shall be deemed to mean any enterprise which may exercise controlling influence on another enterprise or be subject to the controlling influence of an-

other enterprise as a result of ownership, financial participation or the rules governing its operation. Controlling influence shall be presumed when an enterprise, vis-à-vis another enterprise, either directly or indirectly:

- i) owns the majority of the paid-up corporate capital;
- ii) holds the majority of the votes associated with the shares issued by the enterprise, or
- iii) may appoint more than half of the members of the instrument of administration, management or supervision of the enterprise.

A list of associated enterprises, if any, shall be attached to the qualification application.

From the date of qualification and for a period of five years starting from the issue of the decision whereby the investment completion and commissioning shall be certified, if a violation of the aforementioned obligation or the withholding of such violations should be established, the qualification decision shall be revoked and the whole or part of any cash grant paid upon the opinion of the competent Advisory Committee shall be refunded.

28. The terms or conditions or restrictions or derogations from the provisions of this Law in the award of aid, as these may be imposed from time to time by the European Union on the award of national aid to specific sectors or investment categories, shall be determined by presidential decree.

By way of a similar decree, any differing and/or additional procedures and supporting documents may be determined for the submission and assessment of investments and, in general, for the award of the aid of this Law, or specific sectors or industries or categories of activities or investments and/or equipment

or business plan leasing programs may be excluded from the aid, due to the establishment of laying down of corresponding terms and prohibitions by the European Union.

Article 6

Qualification criteria for the aid scheme

1. Qualification for the aid scheme is based on the following criteria:

a) Investment entity assessment criteria:

i) The characteristics of the investment entity and, in particular, its expertise, the range and outcome of its activities in the past, its credibility and financial status. The drive and success in past and current activities of the controlling partners shall also be examined. In the case of a new entity, the drive and success in past and current activities of its controlling partners shall be examined.

ii) The ability to dispose equity in order to cover the enterprise's financial needs and, in particular, in order to cover its participation in the investment and the necessary working capital.

b) Criteria for the financial and technical assessment of investment proposals and the viability of the investment:

i) The comprehensiveness of the business planning and the integrated nature of the investment as well as the organization of the implementing enterprise.

ii) The potential for profitable activity of the enterprise to be established or the already existing enterprise, to the extent it shall be affected by the proposed investment.

c) Criteria pertaining to the investment's contribution to

the objectives of the development Law:

i) The increase in employment rates, and in particular the creation of new permanent dependent jobs for a long period of time.

ii) The contribution of the investment to the protection of the environment and the saving of energy, with particular attention to:

- its contribution to the limitation of soil, subsoil, water and air pollution, the restoration of the natural environment and the recycling of water;

- the introduction of environmentally friendly technology;

- the use of soft energy, the substitution of fuel gas or processed waste material for liquid fuel or electricity;

- the saving of energy.

iv) The competitiveness of the products and services at an international level and, in particular, the exporting orientation of the enterprise or the substitution of imports.

v) The quality of the products produced and the services provided.

vi) The contribution of the investment to the social and economic development of the country.

d) Specific criteria per sector of activity:

i) Specific investment assessment criteria for the primary sector:

- classification of the primary activity as a high, average or low priority activity, in accordance with the agricultural policy of the country;

- relocation of operating units, if required for environmental reasons.

ii) Specific investment assessment criteria for the secondary sector:

- characterization of products as new or as products of highly advanced technology;
- introduction of innovations to the production process or the characterization of products as innovative;
- relocation of operating units moving out of zone A. Also, the relocation from other zones, provided it takes place for environmental reasons;
- degree of participation of raw and auxiliary materials in the industrial cost of production per unit of product.

iii) Specific investment assessment criteria for the tourism sector:

- establishment of facilities for special forms of tourism;
- conversion of traditional or listed buildings or houses into hotel units;
- potential of operating the unit after the end of the tourist season applicable to the wider region;
- upgrading to a higher star (*) category in the case of investments involving the modernization of hotel units, and to a higher class in the case of campings.

iv) Specific investment assessment criteria for the services sector:

- characterization of the services as such of highly advanced technology;
- introduction of software, development of technologies and industrial designs and applied research laboratories;
- introduction of innovations to the production process;
- treatment and rehabilitation centers and self-catering

housing for people with special needs.

e) The elements to be assessed, the operation, rating, number and manner of application of the criteria of this paragraph per sector of activity, as well as all other details pertaining to its implementation, shall be determined by decision of the Minister of Economy and Finance. The common for all four categories of sub-paragraphs (a) up to (d) hereinabove minimum percentage of the overall rating in connection with the common and specific criteria of each sector, above which any investment or program shall be immediately approved at the time of its examination and rating, provided the available grants and leasing subsidies fund is adequate, and below which the investment project shall be rejected, shall also be determined by a similar decision.

2. Additional special criteria for the business plans of Article 3 paragraph 1 sub-paragraph (e) section (xi) and the special investments of sub-paragraph (e) sections (vi), (vii), (viii), (ix) and (x) and sub-paragraph (e) section (ix), which are to be examined by the Ministry of Development, may be determined by joint decision of the Ministers of Economy and Finance and Development.

The elements to be assessed, the operation, rating and respective manner of application of all criteria, as well as all other details of implementation in connection with the aforementioned investments, shall also be determined in the same decision.

3. For the qualification for the award of aid in the form of a cash grant of investment projects implemented abroad, in accordance with Article 3 paragraph 3, only the criteria of paragraph 1 sub-paragraphs (a) and (b) shall be taken into account, and moreover provided the investment contributes, to the largest

possible extent, to the broadening of the production activities in the border areas of the country where the investment is implemented and to keeping the populations of these areas in their place of domicile.

Article 7

Powers and aid implementation procedures

1. Submission of qualification applications.

a) Applications in connection with investments, with the exception of those referring to aid in the form of tax relief, which do not require the submission of an application, or rescue and restructuring business plans, may be submitted all during the year as follows:

i) Qualification applications in connection with investments involving an amount of more than four million (4,000,000.00) Euros, implemented within the boundaries of the Administrative Region of Central Macedonia, as well as investments involving an amount of more than two million (2,000,000.00) Euros implemented in the rest of the Territory, are submitted to the General Directorate for Private Investments of the Ministry of Economy and Finance. The investments of Article 3 paragraph 1 sub-paragraph (c), sections (vii), (viii), (ix), (x), (xi), (xii), (xiii), (xiv), (xv), (xvi), of sub-paragraph (b) sections (iv), (v), (vi), (vii) and (viii), of sub-paragraph (d) sections (i), (ii), (iii), (iv), (v) and (xii) and sub-paragraph (e) sections (ii) and (iii), irrespective of the amount of investment involved, as well as those implemented within the boundaries of more than one Greek regions, shall also be submitted to this General Directorate.

Investments abroad, in accordance with Article 3 paragraph 4, and the rescue and restructuring business plans of Article 9 paragraph 2, irrespective of the amount of investment involved, shall also be submitted to the General Directorate for Private Investments of the Ministry of Economy and Finance.

Additional categories of investment projects whose qualification applications shall be submitted to the General Directorate for Private Investments of the Ministry of Economy and Finance, irrespective of the amount of investment involved, may be determined by decision of the Ministry of Economy and Finance.

ii) Qualification applications in connection with investments involving an amount of up to two million (2,000,000.00) Euros and implemented within the boundaries of each Administrative Region, or an amount of up to four million (4,000,000.00) Euros and implemented in the Administrative Region of Central Macedonia, shall be submitted to the Regional Planning and Development Directorates. Specifically, qualification applications for investments involving an amount of up to two million (2,000,000.00) Euros and implemented in the Prefecture of the Dodecanese, are submitted to the Regional Development Bureau of the Dodecanese of the South Aegean Administrative Region.

iii) Qualification applications in connection with investments involving more than fifteen million (15,000,000.00) Euros, as well as investments or business plans involving an amount of three million (3,000,000.00) or more, provided that a minimum of fifty percent (50%) of the investor's participation comes from foreign capital, shall be submitted to the Hellenic Center for Investment S.A. (ELKE).

iv) Qualification applications in connection with the in-

vestments of Article 3 paragraph 1 sub-paragraph (e) section (xi), involving an amount of up to three million (3,000,000.00) Euros or an amount of more than three million (3,000,000.00) Euros when the investor's participation does not come from foreign capital or comes partly from foreign capital, to a percentage of less than fifty percent (50%), shall be submitted to the General Secretariat for Industry of the Ministry of Development.

Qualification applications for the investments of Article 3 paragraph 1 sub-paragraph (e) sections (vi), (vii), (viii), (ix) and (x) as well as sub-paragraph (d) section (ix), involving an amount of three million (3,000,000.00) Euros or an amount of more than three million (3,000,000.00) Euros when the investor's participation does not come from foreign capital or comes partly from foreign capital, to a percentage of less than fifty percent (50%), shall also be submitted to the General Secretariat for Industry of the Ministry of Development.

b) The limits of sections (i), (ii), (iii) and (iv) hereinabove may be readjusted by decision of the Minister of Economy and Finance.

2.(a) The same entity may not submit a qualification application to more than one services or investment organizations in connection with investments which are basically identical and differ only either in the cost or the individual proposed investment projects, or in connection with investments which refer to the same production unit.

If multiple qualification applications are submitted, in accordance with the above, as well as in the case of the submission of a qualification application referring to an investment, either in total or in part, which has already qualified for the aid of this Law or Law 2601/1998, none of the applications shall be exam-

ined and the relevant fee required and paid as prescribed in paragraph 3 sub-paragraph (b) shall not be refunded.

b) A company, which has a business plan which has qualified for aid under the provisions of this Law or Laws 2601/1998 or 1892/1990, may not during the period of its implementation submit to any service or body an investment qualification application referring to the products involved in the business plan under implementation. If such an application is submitted, it shall not be examined and the relevant fee required and paid as prescribed in paragraph 3 sub-paragraph (b) hereinafter shall not be refunded.

3. The qualification application of paragraph 1 must be accompanied by the following supporting documents:

a) A financial-technical study. If the financial-technical study accompanies a qualification application for aid under the provisions of this Law, having a total cost of more than two hundred and fifty thousand (250,000.00) Euros, it shall be signed by an economist, member of the Economic Chamber of Greece or a corresponding Organization of an EU member state, and an engineer, expert in the principal object of the investment and member of the Technical Chamber of Greece and, as appropriate, where required by the object of the investment, a geologist, member of the Geotechnical Chamber of Greece. Qualification applications which fail to meet this prerequisite shall not be examined and shall be placed in the records.

b) A receipt certifying the payment of the amount determined by joint decision of the Ministers of Economy and Finance and Development. For the determination of this amount, the total cost of the investment submitted for approval is taken into account. This amount is paid to the Public Fiscal Service

(DOY).

4.(a) The Minister of Economy and Finance, subject to sub-paragraphs (b) and (c) below, shall determine by way of a decision any additional supporting documents and specify the technical and financial data to accompany the qualification application.

b) The technical-financial data and supporting documents to accompany the qualification application for the business plans of Article 3 paragraph 1 sub-paragraph (e) section (xi) shall be determined by joint decision of the Ministers of Economy and Finance.

c) The technical-financial data and supporting documents to accompany the qualification application for the investments of Article 3 paragraph 1 sub-paragraph (e) sections (vi), (vii), (viii), (ix) and (x) and sub-paragraph (d) section (ix), shall be determined by decision of the Minister of Development.

5. Applications which are not accompanied by all the required supporting documents and data, in accordance with paragraphs 3 and 4, shall not constitute a qualification application for aid under the provisions of this Law, shall not be examined and shall be placed in the files of the competent service, without a refund of the relevant fee paid as prescribed in paragraph 3 of this Article. The same applies where qualification applications are concerned which, even though containing the required supporting documents and data, as described hereinabove, are found at the time of the checking and examination of the file, and following the relevant opinion of the competent advisory committee, to have serious deficiencies in their financial-technical study which renders impossible the assessment of the investment. Following the submission of the qualification application,

the services or bodies responsible for its examination may, if necessary, send against proof of receipt to the investment entity or its process agent a document, requesting the submission of any additional documents and information as well as the provision of further clarifications in support of the qualification application assessment task. Such a document may set a time limit of up to fifteen (15) days from the date of its delivery against proof of receipt, within which the investment entity shall be required to respond.

6. Qualification applications shall be examined by the competent services and organizations to which they are submitted or, if submitted to the Hellenic Center for Investment, by the competent service of the Ministry of Economy and Finance or the General Secretariat for Industry of the Ministry of Development, as the case may be. For applications submitted to the Hellenic Center for Investment, this organization shall draw up a justified feasibility report, which shall be transmitted either to the General Directorate for Private Investments of the Ministry of Economy and Finance or to the competent service of the General Secretariat for Industry of the Ministry of Development, as the case may be.

7.(a) The assessment procedure of each investment qualification application shall be concluded by the competent service and the competent advisory committee at the latest within two (2) months from its date of submission, and the qualification decision shall be issued at the latest within one month from the committee's opinion, within which period a summary thereof shall be published in the Official Gazette. Qualification applications shall be introduced to the competent advisory committee by absolute order of priority, based on their date of submission.

b) The assessment and qualification procedures for each rescue and restructuring business plan by the competent service and the competent advisory committee shall be concluded at the latest within three (3) months from the date of submission, and the qualification decision shall be issued at the latest within one (1) month from the opinion of the committee, within which period a summary thereof shall be published in the Official Gazette. Qualification applications shall be introduced to the competent advisory committee by absolute order of priority, based on their date of submission.

8. The investments shall be assessed by the competent services, as appropriate. Investment assessments may be assigned to natural persons or legal entities and, in particular, to officers of other State services and/or external assessors and/or experts in specific issues. The aforementioned external assessors shall submit their assessment report to the competent service, which shall study and check it along with the file and prepare an assessment recommendation to the competent advisory committee.

The comprehensiveness of the assessment report drawn up by the external assessors shall be controlled and the report shall be received care of the competent service, such receipt constituting certification to that effect for the purposes of the payment of the relevant fee.

The procedure for the drawing up of a list of assessors, depending on their competence, the terms and procedure of assignment, the number of investment projects assigned per year per assessor, the time limits set for assessment completion, the procedure and manner of assessment depending on the category of investment, as well as all other necessary details, shall be de-

terminated by decisions of the Minister of Economy and Finance and decisions of the Minister of Development.

The assessment of the rescue and restructuring business plans of Article 9 is assigned to a special external assessor, highly skilled in liquidations, acquisitions and mergers, who submits a full assessment study to the competent service of the Ministry of Economy and Finance, in order for the latter to make its recommendations to the competent Advisory Committee of paragraph 15. This service, in order to prepare its recommendation, may ask the principal lending bank and/or another bank to issue an opinion as to the viability of the rescue and restructuring project. The assignment procedure, selection criteria, maximum number of rescue and restructuring business plans which may assigned per year to each assessor, the rights and obligations of external assessors, as well as all other necessary details, shall be determined by joint decision of the Ministers of Economy and Finance, Development, and Employment and Social Protection.

9.(a) Each investment, provided it meets the admission conditions, shall be examined with regard to the criteria of Article 6 paragraph 1 sub-paragraphs (a), (b), (c) and (d).

In particular, the investment shall be rejected and its assessment shall not proceed to the next stage where it is deemed that neither the investor's participation is covered (sub-paragraph (a) section (ii)) nor the minimum rating as to the criteria of Article 1 paragraph 1 sub-paragraph (a) section (i) in the case of an existing entity, and sub-paragraph (b) section (iii).

Provided the investment is found, in accordance with the above, to meet the minimum conditions, it shall be rated with

regard to all the criteria of Article 6 paragraph 1 sub-paragraphs (a), (b), (c) and (d), and if it achieves no less than the common minimum rating laid down in the decision of Article 6 paragraph 2 and the amount to be disposed is sufficient, it shall qualify for aid in accordance with the provisions of this Law.

b) Investments which, in accordance with paragraph 1 sub-paragraph (a) section (iv), are submitted to the General Secretariat for Industry of the Ministry of Development shall be examined with regard to the criteria of Article 6 paragraph 1 sub-paragraphs (a), (b), (c) and (d) and with regard to any additional criteria in accordance with paragraph 2(a) of the same Article.

The investment shall be rejected and its assessment shall not proceed to the next stage where it is deemed that neither the investor's participation is covered nor the minimum rating with respect to the criteria of Article 6 paragraph 1 sub-paragraph (a) section (i), in the case of an existing entity, or sub-paragraph (b) section (iii).

Provided the investment is found, in accordance with the above, to meet the minimum conditions, it shall be rated with regard to all the criteria of Article 6 paragraph 1 sub-paragraphs (a), (b), (c) and (d), and if it achieves no less than the common minimum rating laid down in the decision of Article 6 paragraph 2 and the amount to be disposed is sufficient, it shall qualify for aid in accordance with the provisions of this Law.

c) Each rescue and restructuring business plan of Article 9 paragraph 2 shall be examined with respect to the criteria laid down in paragraph 3 of the Article and shall qualify for aid under the provisions of this Law in accordance with the provisions of that decision and provided the amount of cash grants and

other aid for rescue and restructuring business plans available for the specific year is sufficient.

d) If, in the course of the investment assessment and qualification procedure, the amount of aid available for the specific year is exhausted, any qualification applications whose assessment and qualification procedures were not concluded by the competent services and advisory committees by the time of the exhaustion of the amount available for aid, shall be examined for qualification under the provisions of this Law in the following year, on the basis of the amounts of aid set for that year, before any qualification applications submitted after January the 1st of that year are examined.

10. Each investment implemented abroad, in accordance with Article 3 paragraph 3, shall be examined with respect to the criteria of Article 6 paragraph 1 sub-paragraphs (a) and (b). The investment shall be approved provided it meets the admission conditions on the basis of the same criteria, and provided, furthermore, it is estimated that it shall contribute, to the largest possible extent, to the broadening of the production activities in the border areas of the country where the investment is implemented and to keeping the populations of these areas in their place of domicile, and if the available amount for aid in the form of investment grants in that specific year suffices it shall qualify for aid in accordance with the provisions of this Law.

Furthermore, when investment proposals submitted by private enterprises are assessed, the objectives and priorities of the relevant Bilateral Financial Agreement Program are taken into consideration.

If, in the course of investment assessment and qualification procedure with respect to these investment, the amount of aid

available for the specific year is exhausted, any qualification applications whose assessment and qualification procedures were not concluded by the competent services and advisory committees by the time of the exhaustion of the amount available for aid, shall be examined for qualification under the provisions of this Law in the following year, on the basis of the amount of aid set for that year for this category of investments, before any qualification applications submitted after January the 1st of that year are examined.

11. Investment project qualification decisions for the aid schemes of this Law shall be issued:

a) By the Minister of Economy and Finance, in the case of investment projects submitted to the General Directorate for Private Investments of the Ministry of Economy and Finance in accordance with paragraph 1 sub-paragraph (a) section (i) of this Article, as well as in the case of investment projects submitted through the Hellenic Center for Investment and examined by the General Directorate for Private Investments of the Ministry of Economy and Finance.

b) By the Minister of Development, in the case of the investment projects of Article 3 paragraph 1 sub-paragraph (e) sections (vi), (vii), (viii), (ix), (x) and (xi) and sub-paragraph (d) section (ix).

c) By the Regional General Secretaries, in the case of investment projects implemented within the boundaries of each Administrative Region and submitted to the relevant Regional Private Investments Service, in accordance with paragraph 1 sub-paragraph (a) section (ii) of this Article.

Modification, completion and commissioning certification, qualification revocation and aid repayment decisions, as well as

decisions pertaining to the transfer of undertakings or shares or shares of participation therein shall be issued by the corresponding competent authorities.

12. Qualification decisions as well as other decisions, as set forth in paragraph 11, shall be issued following the opinion of the competent Advisory Committee, as the case may be.

A summary of the qualification decision, setting forth the investment entity's particulars, the object and cost of the investment, the percentage and amount of aid as well as the number of jobs created, shall be published in the Official Gazette. No publication of summary is required where decisions pertaining to the extension of the time set for the completion of the investment or where decision amendments which affect neither the amount and percentage of the aid nor the number of jobs created are concerned. The terms of the decision may be modified in any manner at the request of the investment entity.

13. Annual scheduling of the amount of cash grants and leasing subsidies and employment cost subsidies approved under this Law.

a) The total amount of cash grants, leasing subsidies and cost subsidies for employment created, coming from national or Community resources, which is approved annually shall be determined by decision of the Minister of Economy and Finance issued every January, and subject to the provisions of the following sub-paragraph (b) and Article 9 paragraphs 1 and 3. The same decision shall determine the allocation of this amount among the competent qualification services of paragraph 11 hereinabove. The total amount of aid to be awarded to the rescue and restructuring business plans of Article 9 shall also be determined in the same decision. The Minister of Economy and Fi-

nance may readjust said amount, by way of similar decisions, during the year.

The total amount of cash grants to be awarded each year in connection with each country, in the case of the investments of Article 3 paragraph 3, shall also be determined by way of a similar decision.

b) The total amount of cash grants approved annually for the investments of Article 3 paragraph 1 sub-paragraph (e) sections (vi), (vii), (viii), (ix), (x) as well as sub-paragraph (d) section (ix) shall be determined by joint decision of the Ministers of Economy and Finance and Development, issued every January. The aforementioned amount may be readjusted during the year by similar decisions.

14. Qualification applications for the aid of this Law as well as requests for the modification of the terms thereof which have been rejected shall not be re-examined.

15. Advisory Committees

a) Advisory Committee of the Ministry of Economy and Finance:

A Central Advisory Committee shall be established within the Ministry of Economy and Finance by decision of the Minister of Economy and Finance, which shall give its opinion on the qualification applications for aid under this Law of investments which, in accordance with this Article, are submitted to the Ministry of Economy and Finance or the Hellenic Investment Center and examined by the Ministry of Economy and Finance.

Members of the Central Advisory Committee shall be the General Secretary for Investments and Development of the Ministry of Economy and Finance as Chairman, the head of the competent General Directorate of the Ministry of Economy and Fi-

nance, the heads of the competent services of the Ministry of Economy and Finance, as well as representatives from the other Ministries which have joint competence and other bodies expert in investments. A Legal Councilor of the Ministry of Economy and Finance or Associate Member of the Legal Council of the same Ministry, appointed by the head of the Legal Councilor's Office of the Ministry of Economy and Finance, shall also attend the Committee meetings as a non-voting member.

When the Central Advisory Committee examines investment proposals for qualification under the Hellenic Plan for the Economic Reconstruction of the Balkans, the General Secretary for International Economic Relations of the Ministry of Economy and Finance, two (2) officers of the Ministry of Foreign Affairs from the two highest ranking hierarchical echelons, as well as one (1) representative from the Federation of Industries of Northern Greece shall also participate.

b) Advisory Committees of the General Secretariat for Industry of the Ministry of Development:

i) A Special Advisory Committee for business plans shall be established within the General Secretariat for Industry of the Ministry of Development by joint decision of the Minister of Economy and Finance and Development, which shall give its opinion on the qualification applications for aid under this Law of the investments of Article 3 paragraph 1 sub-paragraph (e) section (xi) which are submitted to the General Secretariat for Industry or the Hellenic Investment Center and examined by the General Secretariat for Industry.

Members of the Committee shall be the General Secretary for Industry as Chairman, the General Secretary for Investments and Development of the Ministry of Economy and Finance, the

head of the competent General Directorate or Directorate of the Ministry of Economy and Finance, the head of the competent General Directorate or Directorate of the General Secretariat for Industry, a representative from the Ministry of Rural Development and Food, two (2) experts of acknowledged authority in issues of industrial investments, one (1) representative from the Federation of Greek Industries, one (1) representative from the Greek General Confederation of Labour (GSEE) and one (1) representative from the Hellenic Bank Association.

ii) An Investment Advisory Committee shall be established within the General Secretariat for Industry of the Ministry of Development by decision of the Minister of Development, which shall give its opinion on the qualification applications for aid under this Law of the investments of Article 3 paragraph 1 sub-paragraph (e) sections (vi), (vii), (viii), (ix) and (x) and sub-paragraph (d) section (ix) which are submitted to the General Secretariat for Industry or the Hellenic Investment Center and examined by the General Secretariat for Industry.

Members of the Committee shall be the General Secretary for Industry as Chairman, two (2) heads of General Directorates or the competent Directorates of the General Secretariat for Industry, a representative from the Ministry of Rural Development and Food, two (2) experts of acknowledged authority in issues of industrial investments, one (1) representative from the Federation of Greek Industries and one (1) representative from the Greek General Confederation of Labour (GSEE).

In particular in the case of Article 3 par.1 sub-paragraph (e) section (vii), the General Secretary for Research and Technology and one (1) head of General Directorate or the competent Directorate of the General Secretariat for Research and Technol-

ogy of the Ministry of Development shall also participate in the Committee.

c) Regional Advisory Committees:

A Regional Investment Advisory Committee shall be established at the seat of each Administrative Region as well as in the capital of the Prefecture of the Dodecanese, by decision of the General Secretary of the Region, which shall give its opinion on applications for qualification under this Law of investments and/or equipment leasing programs which are submitted under this Article in each Region or the Prefecture of the Dodecanese and examined by the local competent services.

Members of each Committee are the Regional General Secretary as Chairman, heads of the competent private investment services of the Region, a representative from the Ministry of Rural Development and Food, representatives from banks and other bodies expert in investments.

d) The aforementioned Advisory Committees shall also issue opinions on requests for amendments of the qualification decision, the certification of the completion and commissioning of the investment, the certification of the transfer of the enterprise or shares or shares of participation as well as the revocation of qualification decisions and repayment of the aid awarded, with respect to investments and/or programs or business plans on whose qualification they had issued an original decision, as appropriate.

They shall moreover give their opinion on the following issues:

i) investments and/or equipment leasing programs or business plans which have qualified for aid under Law 2601/1998, provided these fall within the scope of competence

of the corresponding, as the case may be, services or bodies of application of the incentives of that Law, and

ii) investments which have qualified for aid under previous development Laws, provided the relevant investment files fall within the scope of competence of the corresponding, as the case may be, services or bodies and are kept there.

e) Special Advisory Committee of Experts of the General Secretariat for Development of the Ministry of Development.

A Special Advisory Committee of Experts shall be established at the General Secretariat for Development of the Ministry of Development by joint decision of the Ministers of Economics and Finance and Development, which shall give its opinion on the characterization: (1) of services as services of highly advanced technology or innovative services, (2) of products as products of highly advanced technology or innovative products, (3) of investments as software development investments, (4) of investments as applied bioengineering, energy, mining, agricultural, stockbreeding and aquaculture research laboratories, (5) of investments as technology development investments, (6) investments as innovative product production investments and/or investments aiming at the introduction of innovations into the production process.

Members of the Special Committee of Experts shall be the General Secretary for Development as Chairman, the General Secretary for Research and Technology, the General Secretary for Industry, one (1) officer of the General Secretariat for Research and Technology expert in issues of technology, one (1) representative from the General Secretariat for Industry of the Ministry of Development expert in issues of technology, one (1) external expert coming from university or research institutes or

laboratories and one (1) external expert appointed by the Federation of Greek Industries.

The composition of the Special Committee of Experts is determined by decision of the Minister of Development.

f) The composition of the aforementioned advisory committees shall take place by decisions of the organs which are responsible for their establishment which need not be published in the Official Gazette. These decisions shall also appoint their secretaries and deputy assistant secretaries as well as the reporting members of the Committees.

g) No consultants or natural persons participating in the company or share capital or the administration of enterprises or having prepared or participated in the preparation of investments or having assessed or examined qualification applications during the last five years, which have qualified under Law 2601/1998 or the present Law, or having submitted a qualification application for aid under the provisions of this Law may participate as members in the aforementioned advisory committees, if issues pertaining to these enterprises or issues pertaining to other enterprises with the same or similar activities are discussed.

h) The provisions of Article 24, Law 2429/1996 on the filing of a statement of assets, as amended by the provisions of Law 3213/2003 and in force, shall apply to the members and reporting members of the advisory committees of this Law.

16. Monitoring and Control

Investments approved by the Ministry of Economy and Finance, the General Secretariat for Industry of the Ministry of Development and the Regions shall be monitored by the competent services thereof. Control shall be carried out by control or-

gans established by decision of the competent qualification body, as the case may be.

17. Control Organs

a) Control organs of the Ministry of Economy and Finance.

i) Control organs shall be established and procedures shall be determined for the control of the progress of investment projects, irrespective of whether these are still in the stage of implementation or completed, by decisions of the Minister of Economy and Finance. Control shall be carried out on the basis of the provisions of this Law and the terms of the qualification decision.

ii) Special control organs may be established by decision of the Minister of Economy and Finance, with the task of reviewing investments which had been approved by any service or body and had qualified for aid under the provisions of this Law or Law 2601/1998 or previous development Laws.

iii) Control organs shall be established and procedures shall be determined by decision of the Minister of Economy and Finance for the control of implemented investments and the application of the tax aid, in accordance with the provisions of the third section of sub-paragraph (a), paragraph 20 of this Article.

b) Control organs of the Ministry of Development

Control procedures shall be determined and Special Control Organs shall be established at the General Secretariat for Industry of the Ministry of Development by joint decision of the Ministers of Economy and Finance and Development, in charge of controlling the implementation progress of the investments of Article 3 paragraph 1 sub-paragraph (e) sections (vi), (vii), (viii), (ix) and (x), as well as sub-paragraph (d) section (ix) and

sub-paragraph (e) section (xi), irrespective of whether they are still at the stage of implementation or completed.

Control shall be carried out on the basis of the terms and conditions of this Law as well as the relevant qualification decisions.

c) Regional Control Organs.

Control procedures shall be determined and Regional Control Organs shall be established by decision of the Minister of Economy and Finance, in order to control the progress of investment projects and investments, in general, irrespective of whether they are still at the stage of implementation or completed. Control shall be carried out on the basis of this Law as well as the relevant qualification decisions.

The authority of the Regional Control Organs shall refer to investments implemented within the boundaries of the Administrative Region, which have qualified for aid in the form of a cash grant or leasing subsidy or employment cost subsidy by decision of the General Secretary of the relevant Region or the Prefect, in the case of this Law or any previous development Laws.

d) The Control Organs shall be formed by virtue of the aforementioned decisions or, in the case of the Regional Control Organs, by decision of the competent Regional General Secretary, which need not be published in the Official Gazette. They shall consist of natural persons or legal entities and, in particular, by officers of the competent Ministry service or other services who are available for this task or by chartered auditors or assessors or consultants who are expert in investment control issues and/or representatives of the first and second degree Local and Prefectural Authorities. As many control organs as are

deemed necessary, in order to cover fully and promptly the investment control requirements, are formed from time to time.

e) The provisions of Article 24, Law 2429/1996 on the filing of a statement of assets, as amended by the provisions of Law 3213/2003 and in force, shall apply to the members of the control organs of this Law as well as the organs in charge of the disbursement of the aid.

18. A fraction of up to eight per mil (8 o/oo) of the estimated appropriations for the award of the aid of this Law, as these are entered in the Public Investments budget, in accordance with Article 8 paragraph 7, shall refer to the covering of the assessment, monitoring, control and certification procedure expenditure and the fees of the assessment and control organs, including the emoluments of the reporting members, secretaries and deputy assistant secretaries of this Law.

For that purpose, a special project shall be included in the Public Investments Program, with an appropriation corresponding to the aforementioned appropriation amounts estimated annually in the Public Investments budget, in order to cover the investment grants and subsidies, in general, of this Law.

The emoluments of advisory committee chairmen, members, reporting members, secretaries and deputy assistant secretaries as well as those of the control organ members, shall be determined by decisions of the Minister of Economy and Finance. These amounts may be readjusted by similar decisions.

These emoluments are paid in addition to the per diem and travel expenses prescribed by the provisions in force from time to time.

These emoluments are not subject to the restrictions of Law 1256/1982, Article 15, Law 2703/1999 and Article 17, Law

3205/2003.

The manner of calculation of the emoluments of control organ members who are not public officers, shall be determined by decisions of the Minister of Economy and Finance.

19. Audit of prices

In order to audit prices, competent services and advisory committees may, during the assessment procedure as well as during the subsequent stages of the implementation or even after the completion of the investment, check the machinery and equipment value data. Competent services and advisory committees may ask investors, suppliers or even third parties for additional documents and information in order to verify the value and check the prices. Competent services and advisory committees may use all kinds of evidence in order to audit the cost of the other fixed investment assets, such as the costing method applied to building and other construction works by the Technical Chamber of Greece, taking into consideration the nature and character of the specific buildings. If any overpricing of the investment cost by the investor is found, the qualification application for aid under this Law shall be rejected, any approval already granted shall be revoked and any aid already paid shall be refunded.

20. Audit of tax-free reserves

a) The enterprise, following the completion of the investment, shall submit to the competent for its taxation Public Fiscal Service an application requesting the control of the implemented production investment. A statement listing in detail all the expenditures referring to the implemented production investment, as well as the particulars of the relevant transaction documents issued shall be submitted together with the applica-

tion.

The application, together with the aforementioned supporting documents, shall be submitted within the time limits set for income tax returns, as determined by the provisions of Articles 62, 64 and 107 of the Code of Income Taxation, as appropriate.

Following the submission of the aforementioned supporting documents and at the latest by the end of the relevant fiscal year, the competent tax audit service shall be required to carry out a control of the implemented investments and confirm their compliance with the terms and conditions of this Law.

Following the control of the implemented investments, a concise technical and financial information report is drawn up in connection with the aided enterprise, and a copy is transmitted to the General Directorate for Private Investments of the Ministry of Economy and Finance.

The competent Public Fiscal Service inspectors are required to monitor the correctness and timely performance of the controls. The provisions of this case shall apply by analogy to production investments implemented through leasing.

b) The provisions of Article 5 paragraph 26 of this Law shall apply by analogy to the award of the tax aid for acquisition of the use of equipment through leasing.

c) The supporting documents which must be submitted by the investor, the documents required for the investment control, the information which must be submitted to the General Directorate for Private Investments as well as all other necessary details in connection with the award of the tax aid of this Law shall be determined by decision of the Minister of Economy and Finance.

d) The commencement of expenditure in connection with

the qualification for tax aid shall be valid two (2) months after the publication of this Law.

21. Assessment and monitoring system.

The operation of an investment monitoring computer system is prescribed in order to support the investment assessment, monitoring and control procedures, established at the local competent bodies and services, which shall be required to record the necessary information pertaining to the implementation of the provisions of this Law.

Article 8

Payment of Aid

1. Payment of the investment cost grant.

a) The amount of the grant shall be paid in installments, as follows:

i) 50% of the amount of the grant shall be paid upon the implementation of 50% of the investment and following a certification issued by the competent control organ of Article 7 to the effect that this part of the project has been completed and the investor has complied with the terms and conditions of the qualification decision.

ii) The remaining 50% of the amount of the grant shall be paid following the investment completion and commissioning certification issued by the competent control organ of Article 7.

iii) A lump sum advance payment of no more than 30% of the amount of the grant, as estimated in the relevant investment qualification decision, may be paid against the submission of a letter of guarantee in the same amount, increased by 10% and issued by a bank established and legally operating in Greece. This

advance payment shall be part of the total grant to be paid.

b) The investment completion and commissioning certification shall take place at the investor's request. The relevant application must be submitted together with the necessary documents to the competent service at the latest within six (6) months from the expiration of the time limit set for the completion of the investment, as effective.

The required documents to accompany the investor's application for investment completion and commissioning control and certification shall be determined by decision of the Minister of Economy and Finance.

Following the expiration of the aforementioned six-month time limit, in the absence of an application accompanied by the necessary supporting documents, the investment shall be considered irrefutably as non-completed, and a decision shall be issued for the withdrawal of the qualification decision with an order for the repayment of the aid already paid, increased by the amount of the legal interest as of the date of disbursement thereof.

Within one (1) month from the submission of the aforementioned application, the investment entity shall convene the competent control organ, as this is determined in Article 7, which shall complete the control and submit a control report within two (2) months from its date of formation. The decision whereby the completion and commissioning of the investment or failure to complete and commission the investment shall be certified shall be issued within one (1) month from the submission of the control organ's report. A summary of this decision shall be published in the Official Gazette within thirty (30) working days from its issue.

c) The commissioning of the investment shall require the creation of no less than half of the new jobs prescribed in the qualification decision and the purchasing of raw materials and selling of products or services.

d) The completion and commissioning of the investment shall be certified following an on-site check control out by the control organs of Article 7, provided raw materials have been purchased and products or services have been sold to an extent proving the operation of the unit. Exceptionally, in connection with investments involving the establishment or extension of fishery enterprises (aquacultures) and modern technology meat-producing cattle breeding units, no sales of products shall be necessary.

2. Payment of leasing subsidies.

Leasing subsidies shall be paid provided all the leased equipment, on the basis of the leasing contract, has been installed at the unit and following a certification to that effect issued by the competent control organ.

An amount of up to 50% of the aided expenditure of the leasing subsidy shall be paid by the end of the time for completion prescribed by the qualification decision. After the expiration of that time limit, the balance shall be paid, provided the completion and commissioning of the investment have been certified.

The subsidy shall be paid after the payment of the rent installments by the enterprises, in installments, each one of which shall be calculated on the basis of the part of the equipment acquisition value, which is included in the rent installment paid from time to time. If the leasing contract provides for payment of the rent installments at intervals of less than a quarter, the

subsidy shall be paid on a quarterly basis.

3. Payment of the employment cost subsidy.

Employment cost subsidies shall be paid every six months, at the investor's request. The first application for payment of aid is submitted with the necessary documents to the competent service at the latest within one (1) year from the expiration of the time limit set for the investment completion and commissioning, as determined in the qualification decision.

In order for the first part of the aid to be paid, the investment completion and commissioning must be certified and controlled, in accordance with the provisions of paragraph 1 sub-paragraph (b) of this Article.

The necessary supporting documents, which must accompany the investor's application for control in order for the investment completion and commissioning to be certified, shall be determined by decision of the Minister of Economy and Finance.

Subsidies shall only be paid in connection with jobs associated with the investment.

4. Aid payment supporting documents

a) The necessary supporting documents for payment of aid in the form of a grant and leasing subsidy and employment cost subsidy, shall be determined by decisions of the Minister of Economy and Finance.

b) The necessary supporting documents for payment of aid in the case of the business plans of Article 3 paragraph 1 sub-paragraph (e) section (xi) and the investments of Article 3 paragraph 1 sub-paragraph (e) sections (vi), (viii), (ix) and (x) and sub-paragraph (d) section (ix), shall be determined by decisions of the Minister of Development.

5. No assignment - Exceptions

The cash grant is paid directly to the investor, and may not be assigned to any third party. Exceptionally, the amount of the grant may be assigned to banks, for a short-term loan to be granted in an amount equivalent to that of the cash grant, to be used in the implementation of the investment. In these cases, the cash grant shall be paid directly to the bank with which the assignment agreement has been signed, provided a part of this short-term loan, equivalent to no less than the cash grant paid, shall have been withdrawn each time.

6. Accounting representation of aid amounts in the accounting books of the enterprise

The cash grant amounts being paid to enterprises in accordance with the provisions of this Law, shall appear in a tax-free reserve account, which may not be distributed prior to the expiration of a five-year period from the investment completion and commissioning. These reserves shall appear in a separate account in the enterprise's accounting books. If they are distributed prior to the expiration of the five-year period, the penalties of Article 10 shall apply.

This reserve shall not be subject to income tax, provided it remains unchanged and is neither distributed nor capitalized before ten years elapse from the time of its establishment. If it is capitalized or distributed after the expiration of this period of time, it shall be subject to tax on the basis of a factor corresponding to one third of the income tax factor applicable, at the time of capitalization or distribution, to the legal entities of Article 101 paragraph 1 and Article 2 paragraph 4 of the Code of Income Taxation, which has been ratified by Law 2238/1994 (Official Gazette Issue No 151/A). The income tax payable in accordance with the above shall be paid in a lump sum by way of

tax returns to be filed within the month immediately following the one within which the capitalization or distribution decision was adopted. When this tax is paid, the tax obligation of the legal entity as well as its shareholders, partners with respect to the aforementioned reserve shall be exhausted. The provisions of Articles 65 to 72, 74, 75, 79 to 81, 83 to 84 and 113 of the Code of Income Taxation, Law 2523/1997 (Official Gazette Issue No 179/A) and the Code of Administrative Procedure, as ratified by Law 2717/1999 (Official Gazette Issue No 97/A).

If the capitalization or distribution is effected prior to the expiration of the ten-year period from the time of establishment of the reserve, the provisions of Article 106 par.4 of the Code of Income Taxation shall apply, irrespective of the legal form of the enterprise.

7. Entering into the budget - Exemptions

The estimated expenditure per fiscal year, which shall be chargeable to the State, in connection with the payment of aid in the form of the investment grants and subsidies of this Law shall be entered into the Public Investment budget.

Investment grants, leasing subsidies and wage cost subsidies for the employment created paid on the basis of the provisions of this Law shall be exempt from all taxes, stamp duties or fees, as well as from all other charges in favour of the State or any third party. These cash grants shall not be deducted from the value of the investment expenditure and the wage costs of employment created in order for the profits which are subject to taxation to be determined.

Article 9

Special Schemes

1. Special aid schemes

Special aid schemes may be established for regions of the country, in particular their insular and mountainous areas or parts, or certain categories of the enterprises or investments of Article 3, of particular significance to the economic development of the country, by presidential decrees issued upon the recommendation of the Ministers of Economy and Finance and Development, as well as the other co-competent Minister, as the case may be, and in the framework of a balanced regional development. The elaboration of a special feasibility study, documenting the above, must precede the issue of each presidential decree.

These presidential decrees shall determine the term of each special aid scheme, the services or bodies where the relevant qualification applications should be submitted, as well as the time limits allowed for the submission of these applications, the overall amount of aid approved in the framework of the specific special aid scheme and for the whole of its term, as well as the allocation of this amount per service or body of application and per application submission period. Moreover, the percentage of the investor's own participation in the investment, the kinds and percentages of aid as well as all other details shall also be determined.

These presidential decrees may determine special additional qualification criteria. Furthermore, they shall determine the manner of rating, operation and manner of application of the common, as applicable, criteria of Article 6 as well as any additional criteria determined thereby.

The aforementioned qualification criteria shall be sepa-

rately applicable to the investments incorporated in the specific special aid scheme established by virtue of each presidential decree.

A summary of the contents of the presidential decree shall be published in two daily political and two financial newspapers, enjoying circulation all over the country. Moreover, the summary shall be transmitted to the EU Official Publications Office for publication in the Official Journal of the European Union.

Additionally, the other provisions of this Law shall apply to investments incorporated in the special aid schemes of this paragraph.

2. Rescue and restructuring business plans

Processing or mining enterprises of existing only entities, employing no less than 100 persons and facing critical difficulties, may submit a comprehensive, long-term (2-3 years) rescue and restructuring business plan, involving their technological, administrative, organizational and business modernization, their reconstruction and development as well as possible employee training activities. The conditions and terms which must be met in the enterprise, in order for it to be deemed, in the opinion of the competent service and advisory committee, to be facing critical difficulties, and its rescue business plan to be examined and qualify for the award of aid under the provisions of this paragraph, shall be determined by joint decision of the Ministers of Economy and Finance, Development and Employment and Social Protection.

The same decision shall determine the kinds and percentages of aid, as well as the additional kinds of aid and the extent thereof awarded to rescue and restructuring business plans, the

supplementary supporting documents and information to accompany the qualification application, as well as all other necessary details.

The qualification criteria, assessment points, operation and manner of application of these criteria in connection with the qualification of rescue and restructuring business plans, shall be determined by way of the joint decision of Article 6 paragraph 1.

Additionally, the other provisions of this Law shall apply to the rescue and restructuring business plans of this paragraph.

3. Investments, involving an amount of fifty million (50,000,000.00) Euros, with a significant impact on the country's international competitiveness and employment, with the creation of no less than one hundred and twenty-five (125) permanent jobs, with a number thereof possibly created in satellite enterprises, as a direct result of the proposed investment, shall qualify for aid under the provisions of this Law by joint decisions of the Ministers of Economy and Finance and Development, as well as the other co-competent Ministers, as the case may be. The necessary derogations from the regulations of this Law, referring to the investor's own participation, the cash grant award procedure, the cash grant percentages and amount, the loan amount, the leasing subsidy percentages and the employment cost subsidy percentages, the conditions for the transfer of shares in the enterprise, as well as the capacity to participate in the investment of public enterprises shall be determined in the same decisions in connection with the investments of this paragraph.

By virtue of the same decisions, the enterprises implementing the investments of this paragraph may be granted the facili-

ties and privileges set forth in Article 4 paragraph 1,2,3 and 4, and article 4 paragraph 6 of the now abolished Law 4171/1961 (Official Gazette Issue No 93/A) 'on the adoption of general measures to support the country'.

Moreover, the construction with public money of special infrastructure projects, to facilitate the general operation of the unit, may be determined in the same decisions.

The aforementioned joint ministerial decisions, whereby the investments of this paragraph shall qualify under the provisions of this Law, are subject to the condition of their former ratification by Law.

Article 10

Obligations of aided enterprises

Effects of failure to comply – Penalties

1. Enterprises whose investment projects have qualified under the provisions of this Law, following their qualification and until the expiration of a five-year period from the publication of the investment completion and commissioning decision, must:

- a) Comply with the qualification conditions;
- b) Acquire the ownership of the leased equipment upon the termination of the leasing contract;
- c) Not suspend the investment's production activity, unless by reasons of force majeure, as a result of natural phenomena;
- d) Not stop the investment's production activity, unless by reasons of force majeure, as a result of natural phenomena;
- e) Not transfer, for whatever reason, any of the fixed as-

sets which have been granted cash aid, unless these are replaced within a period of six months by others of a similar value which are owned by the investment entity and cover the needs of the enterprise's production operation, subject to a requirement of notification of the replacement within three (3) months to the competent service.

Requests for the replacement of fixed assets may not be approved more than twice for each aided investment.

B. During the same period of time, the enterprises mentioned in case A may not, without the approval of the organ competent for the issue of the qualification decision, do the following:

a) Modify in any manner whatsoever the ownership status, as to the persons or their shares of participation. Excepted are those companies whose shares are listed or are to be listed on the Athens Stock Exchange as well as transmissions due to inheritance;

b) Let part or all of the aided investment. Approval may be granted under the condition that the enterprise shall carry on the same business activity and that the lessor shall remain liable for compliance with the qualification terms.

C. Enterprises which have been awarded aid in connection with the employment created thereby, shall be required to maintain the number of new jobs in connection for which the grant was approved for no less than five (5) years after their establishment.

2.A. If an aided enterprise violates the qualification obligations prior to the investment completion and commissioning:

a) The qualification decision shall be revoked and the aid refunded, in the case of paragraph 1A section (d);

b) The qualification decision may be revoked and the aid refunded or withheld or refunded in part, in the cases of paragraph 1A sections (a), (b) and paragraph 1B sections (a) and (b).

B. If an aided enterprise violates its qualification obligations following the publication of the investment completion and commissioning decision and within the time limit laid down in paragraph 1A, all or part of the aid shall be refunded.

C. If an aided enterprise violates the obligations laid down in case 1Ab, the amount of aid paid corresponding to the specific equipment shall be refunded in total. The same applies if the contract is terminated in any manner and the equipment is returned to the leasing company.

D. If a reduction is established in the number of jobs established by the investment, which determined the cost of the created employment subsidy, the part of the amount of the aid which corresponds to the abolished job shall be refunded.

E. The qualification decision shall determine the terms and conditions for the covering of the investor's participation in the investment, as well as the terms which are deemed necessary to secure the implementation of the investment and the general interest. If it is established that false or misleading information has been submitted to the service or that information has been withheld, such that its disclosure would have led to the disqualification of the investment or project or business plan for the award of aid under the provisions of this Law or would have led to its qualification under different terms or to the non-certification of the investment completion, then the qualification decision: a) if the investment has not been completed, shall be revoked and the letter of guarantee shall be forfeited, if part of the cash grant has been paid in the case of Article 8 para-

graph 1(a) section (iii), b) if the investment has been completed, shall be refunded in its entirety.

The above effects shall take place if the fact is established within ten years from the date of publication of the summary of the investment completion and commissioning decision and by organs which are under the Law competent for the control of the documents, as appropriate.

3. The procedure, manner of occurrence of the effects of the failure to comply with the aforementioned obligations, as well as all other necessary details, shall be determined by decision of the Minister of Economy and Finance. For the imposition of the refund, either in total or in part, which may range between 0.5% and 30%, of the approved aid, the particular circumstances of each individual case are taken into consideration as well as the applicable criteria, such as the time of violation of the obligation, the amount of the percentage of the investor's participation in the composition of the company, the amount of the aided investment which was let, the amount of the value of the fixed assets which were aided and then transferred, as well as the degree of reversal of the implementation and operation of the investment under the terms of qualification.

4. The refund of aid awarded under this Law shall take place in accordance with the procedure set for the collection of public revenues, and the refunded amounts shall be increased by the amount of the legal interest, as of their date of payment. The relevant receipts certifying payment of the aid by the State shall constitute a title for the certification of the debt by the competent Public Fiscal Service.

5. Loss of tax relief and payment of taxes due.

A. The tax-free reserve of the tax relief established un-

der the provisions of this Law shall be added to the profits of the enterprise and taxed in the administration year during which:

a) The fixed assets were sold or ceased to be used for any reason whatsoever prior to the expiration of five (5) years from their date of acquisition, or the machinery whose use had been acquired by leasing ceased to be used and the relevant contract was cancelled, in connection with the amount of the tax-free reserve which corresponds to the value of these fixed assets. This provision shall not apply if the enterprise replaces these fixed assets within six (6) months from the end of the administration period during which their sale or termination of leasing took place, by new fixed assets of no less than the equivalent value, meeting the prerequisites of the aided investment or leasing expenditure laid down herein;

b) The corresponding amount of the tax-free reserve was distributed or withdrawn and in connection with the amount distributed or withdrawn;

c) The sole proprietorship or company were dissolved because of the death of the entrepreneur or a company member.

B. Moreover, the tax-free reserve established shall be taxed:

a) If a partner withdraws, in his name, at the time of his withdrawal and in the amount corresponding to him on the basis of his share of participation in the company;

b) If a share is transferred, in the name of the transferor, at the time of the transfer and in the amount corresponding to him, on the basis of his share of participation in the company;

c) If the reserve is withdrawn by a partner or his heirs, in the name of the withdrawer, at the time of the withdrawal and

in the amount withdrawn by him;

d) If a partner dies and provided the company continues legally among the remaining partners, in the name of the heir and in the amount corresponding to him, on the basis of the deceased's share of participation in the company;

e) If the company, following the termination of the leasing, does not acquire the ownership of the equipment.

C. If the investment is not completed and/or the use of the equipment is not acquired by leasing within the five-year time limit laid down by Article 5 paragraph 8, the enterprise shall be required to file supplementary income tax returns for each fiscal year and for the part of the profits which were exempted from tax due to the creation of the income-tax reserve.

These returns shall be deemed as out-of-time, and the obligors filing them or failing to file them or filing inaccurate returns shall be subject to the penalties of Law 2523/1997 (Official Gazette Issue No 179/A). The total amount of the income tax and additional tax payable on the basis of the returns of this paragraph shall be paid in five (5) equal monthly installments, of which the first shall be paid with the filing of the returns and the remaining four on the last working day of the four months following immediately after the filing of the returns.

Article 11

Committee for the simplification of private investment procedures

1. A Special Committee is established within the Ministry of Economy and Finance, which shall record procedures and authorities, services and bodies with respect to all kinds of investment and development initiatives of the private sector, in

order to simplify these procedures and subject them to a single management and control body.

2. The Committee shall be required to conclude its task within the time limit laid down in its establishment decision, which shall not be subject to extension beyond the year 2005.

Article 12

Transitional and final provisions

1. Investments or projects or business plans which, until the publication of this Law, have qualified under the provisions of Law 2601/1998, as in force, or in whose case the examination and qualification procedures by the competent services and advisory committees have been concluded, without the qualification decision summary having been published in the Official Gazette, shall be governed by the provisions which were applicable up to the entry in force of this Law.

2. Continuation of force of force of regulative decisions

a) The regulative decision issued pursuant to Article 4 paragraph 2, Law 2601/1998 shall remain in force and shall apply to this Law until the expiration of two years from its entry into force, at which time it shall cease to apply and the decisions of Article 2 paragraph 2 of this Law may be issued.

b) Until the issue of the joint ministerial decision of Article 3 paragraph 1 sub-paragraph (d) section (xii), the regulative decision issued pursuant to Article 1 paragraph 1(t) of Codified Law 1892/1990, which has been maintained in force under the transitional provision of Article 14 paragraph 3(b), Law 2601/1998, as it was in force, shall remain in force and shall apply to this Law with respect to the determination of the

areas.

c) Until the issue of the joint ministerial decisions of Article 5 paragraphs 10 and 11, sub-paragraphs (a) and (b) concerning the determination of the criteria and procedures to be applied by the General Secretariat for Development of the Ministry of Development for the characterization of products or services as products or services of highly advanced technology, respectively, the regulative decision issued pursuant to the sixth section of paragraph 1(d) of Article 9, Codified Law 1892/1990, which has been maintained in force under the transitional provision of Article 14 paragraph 2(d), Law 2601/1998, as it was in force, shall remain in force and shall apply to this Law.

d) Until the issue of the joint ministerial decision of Article 5 paragraph 12(a) concerning the determination of specifications for software development enterprises, as well as the supporting documents to accompany the financial and technical study, the regulative decision issued pursuant to Article 2 paragraph 1(v), Codified Law 1892/1990, which has been maintained in force under the transitional provision of Article 14 paragraph 2(a), Law 2601/1998, as it was in force, shall remain in force and shall apply to this Law.

e) Until the issue of the joint ministerial decision of Article 5 paragraph 12(c) concerning the determination of the criteria and procedures to be applied by the General Secretariat for Development of the Ministry of Development for the characterization of products or services as innovative, and the introduction of innovations into the production process, the regulative decision issued pursuant to Article 6 paragraph 17, Law 2601/1998, as it was in force, shall remain in force and shall apply to this Law.

f) The regulative decision issued pursuant to Article 6 para.16(b), Law 2601/1998 shall remain in force and shall apply to this law until the expiration of two years from its entry into force, when the decision of Article 5 para.16(b) of this Law may be issued.

g) Until the issue of the joint ministerial decision of the first section of paragraph 18 of Article 5 concerning the determination of the kind and extent of works for integrated hotel unit modernization, the regulative decision issued pursuant to Article 2 paragraph 1(ff), Codified Law 1892/1990, which has been maintained in force under the transitional provision of Article 14 paragraph 2(e), Law 2601/1998, as it was in force, shall remain in force and shall apply to this Law.

h) Until the issue of the joint ministerial decisions of Article 5 paragraph 19 concerning the determination of specifications for conference centers, thalassotherapy centers, ski centers and spas, the regulative decisions issued pursuant to Article 1 paragraph 1(i) and 1(p), Codified Law 1892/1990, which has been maintained in force under the transitional provision of Article 14 paragraph 2(f), Law 2601/1998, as they were in force, as well as the relevant decision of the Ministry of Development concerning the specifications for ski centers, shall remain in force and shall apply to this Law.

i) Until the issue of the joint ministerial decision of Article 6 paragraph 2 concerning the determination of additional special criteria for the investments of Article 3 para.1 sub-paragraph (e) section (xi) and sub-paragraph (d) sections (vi), (vii), (viii), (ix) and (x) as well as section (ix) examined by the Ministry of Development, the regulative decision issued and amended pursuant to Article 7 paragraph 3, Law 2701/1998, as it

was in force, shall remain in force and shall apply to this Law.

j) Until the issue of the joint ministerial decision of Article 7 paragraph 3(b), the regulative decision of Law 2601/1998, issued pursuant to Article 8 paragraph 4 of that Law, as it was in force, shall remain in force and shall apply to this Law as appropriate.

k) Until the issue of the ministerial decision of Article 7 paragraph 15(a) concerning the establishment of the Central Advisory Committee, as well as until the issue of the decision whereby that committee shall be formed, in accordance with section (f) of the same paragraph, the regulative decisions issued pursuant to Article 8 paragraph 19 sub-paragraphs a(i) and (g), Law 2601/1998, as they were in force, shall remain in force and shall apply to this Law.

l) Until the issue of the ministerial decisions of Article 7 para.15 sub-paragraph (b) sections (i) and (ii) on the establishment of the Special Advisory Committee for Business Plans and the Advisory Committee for Investments at the General Secretariat for Industry of the Ministry of Development, as well as until the issue of the decisions whereby said committees shall be formed, in accordance with section (f) of the same paragraph, the regulative decisions issued pursuant to Article 8 paragraph 19 sub-paragraph (b) sections (i) and (ii) and sub-paragraph (g), Law 2601/1998, as they were in force, shall remain in force and shall apply to this Law.

m) Until the issue of the decisions of Article 8 paragraph 15(c) to be issued by the Regional General Secretaries on the establishment of the Regional Advisory Committees, as well as until the issue of the decisions whereby said committees shall be formed, in accordance with section (f) of the same paragraph,

the regulative decisions issued pursuant to Article 7 paragraph 19(d), Law 2601/1998, as they were in force, shall remain in force and shall apply to this Law.

n) Until the issue of the joint ministerial decision of Article 8 paragraph 15(e) on the establishment of the Special Advisory Committee of Experts, as well as until the issue of the decision whereby said committee shall be formed, in accordance with section (f) of the same paragraph, the regulative decision issued pursuant to Article 8 paragraph 19(f), Law 2601/1998, as it was in force, shall remain in force and shall apply to this Law.

o) Until the issue of the ministerial decisions of Article 7 paragraph 17 sub-paragraph (a) sections (i) and (ii) on the establishment of Central Control Organs and Special Control Organs, the regulative decision issued pursuant to Article 8 paragraph 21 sub-paragraph (a) sections (1) and (2), Law 2601/1998, as it was in force, shall remain in force and shall apply to this Law.

p) Until the issue of the joint ministerial decision of Article 7 paragraph 17(b) on the establishment of Special Control Organs at the General Secretariat for Industry of the Ministry of Development, the regulative decisions issued pursuant to Article 8 paragraph 21 sub-paragraph 2(b), Law 2601/1998, as they were in force, shall remain in force and apply to this Law.

q) Until the issue of the ministerial decision of Article 7 paragraph 17(c) on the establishment of Regional Control Organs, the regulative decision issued pursuant to Article 8 paragraph 21 sub-paragraph 2(c), Law 2601/1998, as it was in force, shall remain in force and shall apply to this Law.

r) Until the issue of the ministerial decisions of Article

7 paragraph 18 on the emoluments of advisory committee chairmen, members, reporting members, secretaries and deputy assistant secretaries as well as control organ members, the regulative decisions issued pursuant to Article 8 paragraph 22(b), Law 2601/1998, as they were in force, shall remain in force and shall apply to this Law.

s) Until the issue of the ministerial decision of Article 7 paragraph 20(c) on the submission of the necessary supporting documents for the control of investment projects making use of the tax aid, the regulative decision issued pursuant to Article 13 paragraph 4, Codified Law 1892/1990 and maintained in force under the transitional provision of Article 14 paragraph 2(o), Law 2601/1998, as it was in force, shall remain in force and shall apply to this Law.

t) Until the issue of the ministerial decision of Article 8 paragraph 1(b) on the required supporting documents for the payment of the cash grant, the regulative decision of Law 1892/1990, issued pursuant to Article 6 paragraph 3 of that Law and maintained in force under the transitional provision of Article 14 para.3(h), Law 2601/1998, as it was in force, shall remain in force and shall apply to this Law.

u) The joint ministerial decision of Article 8 paragraph 4(b) on the terms of the payment in installments of the cash grant to business plans falling within the scope of competence of the Ministry of Development, as well as the ministerial decision on the necessary supporting documents prescribed in the same paragraph, issued pursuant to Article 23a paragraph 8, Codified Law 1892/1990 and maintained in force under the transitional provision of Article 14 paragraph 2(π), Law 2601/1998, as it was in force, shall remain in force and shall apply.

v) Until the issue of the ministerial decision of Article 8 paragraph 4(b) on the necessary supporting documents for the payment of the cash grant to special investments falling within the scope of competence of the General Secretariat for Industry of the Ministry of Development, the regulative decision issued pursuant to Article 9 paragraph 7, Law 2601/1998, shall remain in force and shall apply to this Law.

3. As of the entry into force of this Law, Articles 1 to 11 as well as Article 14, Law 2601/1998, as subsequently amended and supplemented, with the exception of the provisions of Article 6 paragraph 35 and the provision of Article 14 paragraph 4 thereof, which keep in force Article 23 paragraph 13, Law 1892/1990, which has been incorporated in the codification of the development incentives as Article 23(c), Presidential Decree 456/1995 and remains in force, shall be abolished.

4. In particular where the investments of Law 2601/1998 are concerned, when their implementation is under way and not completed at the time of the entry into force of this Law and when it is expected to continue for a period of more than one administration year, the provisions of Article 5, Law 2601/1998 on tax-free allowances, as well as the provisions of Article 6 paragraph 27, Article 8 paragraph 24, Law 2601/1998 and Article 21 paragraph 5, Law 3259/2004, on the application of tax-free allowances until the completion of the investments within the prescribed five-year period, shall continue to apply.

5. Article 11 paragraph 3, Law 2601/1998, as amended by Article 6, Law 3219/2004 and replaced by Article 21, Law 3259/2004, is amended by virtue of Article 10 paragraph 3 of this Law, as of its entry into force.

6.a) The monitoring, control and payment of investment

aid and/or equipment leasing programs which have qualified under the provisions of Laws 1262/1982, 1892/1990 and 2601/1998 by virtue of decisions issued by the Hellenic Organization for SMEs and Craft Companies (EOMMEX), shall continue to be carried out by the services and organs of this body, in accordance with the provisions of Article 8 paragraph 20(d) and Article 8 paragraph 21(d), as well as Article 9 paragraph 4, Law 2601/1998. In this framework, the Advisory Committee established by Article 8 paragraph 19(c), Law 2601/1998, which gives its opinion on applications for amendment of qualification decisions, investment completion and commissioning certification decisions, decisions on the transfer of undertakings or shares or shares of participation therein and the revocation of qualification decisions and refund of aid paid under Laws 1262/1982, 1892/1990 and 2601/1998, shall continue to operate within EOMMEX.

b) The regulations of the third, fourth and fifth sections of paragraph 18, Article 7 of this Law shall also apply to the Advisory Committee established under Law 2601/1998 within EOMMEX.

7.a) The monitoring and control of investments and/or programs which have qualified under the provisions of Law 1892/1990 or Law 1262/1982 by virtue of decisions issued by the Agricultural Bank of Greece (ATE), shall continue to be carried out by the services and organs of this body, pursuant to the provisions of the sixth section of paragraph 2, Article 8, Law 1892/1990, as this has been kept in force by the transitional provision of Article 14 paragraph 11(a), Law 2601/1998. In this framework, the Advisory Committee established by Article 8 paragraph 1(c), Codified Law 1892/1990, which gives its opinion

on applications for amendment of qualification decisions, investment completion and commissioning certification decisions, decisions on the transfer of undertakings or shares or shares of participation therein and the revocation of qualification decisions and refund of aid paid under Laws 1892/1990 and 1262/1982, shall continue to operate at the Bank.

b) The regulations of the third, fourth and fifth sections of paragraph 18, Article 7 of this Law shall also apply to the ATE Advisory Committee established under Law 1892/1990.

8. Qualification applications for aid under the provisions of this Law which refer to the production, processing and marketing of agricultural products falling within the scope of Annex I of the Treaty on European Union, as well as qualification applications referring to investment projects of commercial and transport undertakings, under a single organizational structure, for the establishment of freight depots, freight centers and transit centers, investment projects of transport enterprises involving the establishment of storage, packaging and standardization infrastructure as well as covered parking areas for trucks, and investment projects proposed by operators of means of transport of passengers and cargo to isolated, inaccessible and distant continental, island and lakeshore areas, under Community Law, shall be submitted after the issue of the ministerial decisions of Article 3 paragraph 2.

9. Qualification applications for aid under the provisions of this Law which refer to rescue and restructuring business plans, shall be submitted after the issue of the joint ministerial decision of Article 9 paragraph 2.

10. The provisions of this Law shall apply to the investment procedures and control organs of Article 6, Law 2996/2002

(Hellenic Plan for the Economic Reconstruction of the Balkans).

11. Where there is mention of Law 1892/1990 in chapter B, Law 2367/1995 (Official Gazette Issue No 261/A/29.12.1995) ‘on Holding Companies’, as amended and supplemented subsequently, it shall be deemed to refer to this Law.

Article 13

Entry into Force

The present Law shall enter into force as of its publication in the Official Gazette of the Hellenic Republic, unless otherwise prescribed by its individual provisions.

We hereby order that this Law be published in the Official Gazette of the Hellenic Republic and enforced as a Law of the State.

Athens, December 22, 2004

THE PRESIDENT OF THE REPUBLIC
CONSTANTINOS STEFANOPOULOS

THE MINISTERS

OF INTERIOR, PUBLIC ADMINISTRATION AND DECENTRALIZATION –

P.PAVLOPOULOS

ECONOMY AND FINANCE – G.ALOGOSKOUFIS

DEVELOPMENT – D.SIOUFAS

THE ENVIRONMENT, PHYSICAL PLANNING AND PUBLIC WORKS – G.SOUFLIAS

EMPLOYMENT AND SOCIAL PROTECTION – P.PANAGIOTOPOULOS

RURAL DEVELOPMENT AND FOOD – E.BASSIAKOS

DEPUTY MINISTER OF CULTURE – F.PALLI-PETRALIA

TRANSPORT AND COMMUNICATIONS – M.LIAPIS
MERCHANT MARINE – E.KEFALOYIANNIS
TOURIST DEVELOPMENT – D.AVRAMOPOULOS

Certified and sealed with the Great Seal of the State.

Athens, December 23, 2004

THE MINISTER OF JUSTICE – A.PAPALIGOURAS