Investment Incentives

KPMG

ENTERPRISE GREECE
INVEST & TRADE

Why Greece?

LOCATION DRIVERS

- Geostrategic location of the country
- Availability of multilingual human capital
- Competitive wage rates
- Advantageous framework
- Telecommunications & Broadband infrastructure
- Low cost real estate property market
- Excellent climate & living environment
- An EU member country enjoying stability, security & prosperity

Geographic position

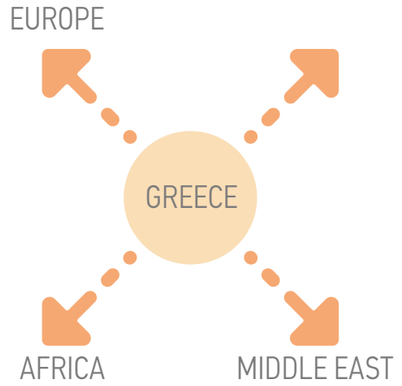
Flight time from Athens to (app.):

NEW YORK, 10 HOURS
LONDON, 3.5 HOURS
BRUSSELS, 2.5 HOURS
MOSCOW, 3 HOURS
DUBAI, 4 HOURS
BEIJING, 8.5 HOURS

STRATEGICALLY POSITIONED
AS THE GATEWAY TO 3 CONTINENTS

IN A TIME ZONE (+/- 2H) GREECE COVERS:

- **2bn people (30% of global population)**
- **25% of GDP**



Funding Tools

GENEROUS INCENTIVES THROUGH VARIOUS SCHEMES

01. Investment Law
02. Strategic Investments
03. RRF Intro
04. Recovery and Resilience Fund Loans
05. Recovery and Resilience Fund State Aid Projects
06. Partnership Agreement (PA) 2021-2027
07. Public Employment Service Grants Schemes
08. Tax Incentives
09. Investment Incentives to SSCs and BPOs
10. Entrepreneurship Fund III
11. Hellenic Development Bank of Investments (HDBI)
12. International Organizations' Support to Greek Investments
13. Investment Incentives for Technology driven SMEs

Investment Incentives Law

Investment Law is the statutory framework for the establishment of Private Investments Aid Schemes for the regional and economic development of the country.

Aid Types

1) TAX EXEMPTION
2) SUBSIDY
3) LEASING SUBSIDY
4) WAGE SUBSIDY
5) RISK FINANCING
6) FAST TRACK LICENSING

All aid schemes are provided individually or in combination and they are calculated cumulatively for the determination of the total aid.

Level of aid provided

- **Depending on the region where the investment is implemented and the size of the company, the level of state aid for regional expenses ranges from 15% to 80% of expenditure, according to the Regional Aid Map, while the state aid for non-regional aid expenses, is determined by the type of each expense.**
- **The total amount of state aid for each single investment plan, is up to EUR 10 million, depending on the Scheme. State aid provided is limited to EUR 20 million for each single beneficiary and up to EUR 30 million for a group of companies, subject to the restrictions. The above upper limits are increased by fifty percent in cases where the aid is granted in the form of tax exemption.**
- **The maximum amount of aid provided for projects avoiding the obligation of the "initial investment" (Research & Development, Environment protection, Training or Employment of disabled) is EUR 1 million per single investment plan.**

Law Schemes

The law includes 13 thematic Schemes, to provide incentives in specific activities and sectors:

01 Digital and technological transformation of companies
02 Green transition - Environmental upgrade of businesses
03 New Entrepreneurship
04 Just Transition Regime
05 Research and applied innovation
06 Agri-food - primary production & processing of agricultural products – fisheries & Aquaculture
07 Manufacturing - Supply chain
08 Business extroversion
09 Tourism
10 Alternative forms of tourism
11 Large investments
12 European value chains
13 Entrepreneurship 360°

Types of investment plan - Initial investment

Each investment plan must meet the obligation of "initial investment", which means either:

- **Development of a new plant**
- **Capacity expansion of an existing plant**
- **Diversification of a plant's production**
- **Substantial modification of the entire production procedure of an existing plant**

In certain Schemes, the "initial investment" is not prerequisite, if the investment plan involves Research & Development, Environment Protection, Training or Employment of disadvantaged / disabled.

Minimum investment amount (in EUR)

Large companies	Medium companies	Small companies	Very small companies	Social Cooperative Companies
1 000 000	500 000	250 000	150 000	50 000

Entity participation in the investment cost

Own participation in the investment cost either through own resources or by external financing must be at least twenty-five percent (25%) of the total investment cost without containing any state aid, public support or provision.

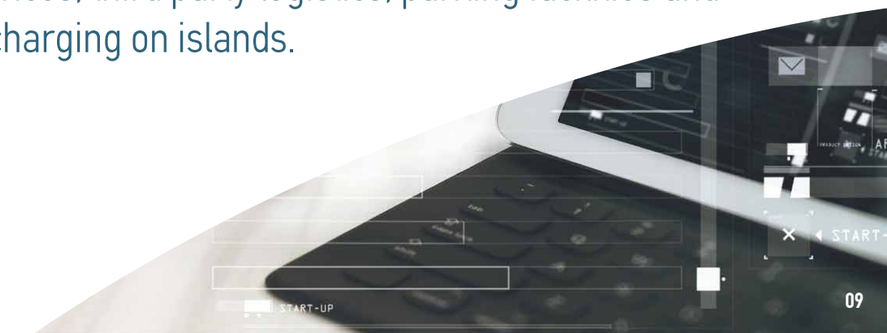
Non eligible activities

- **In accordance with the provisions of the General Block Exemption Regulation, the sectors of: steel, synthetic fibers, coal, shipbuilding production, energy and related infrastructure, transport and related infrastructure.**
- **Based on the Business Activity Codes (NACE code) indicatively: commerce, food & beverage services, education, construction, health, banking, insurance, gambling, energy, transport.**

By exemption, in the sector of energy production, distribution and infrastructure, the following projects are eligible for state aid:

- Small hydropower plants with an installed capacity of up to 15 MW
- High-efficiency RES energy cogeneration units,
- RES hybrid stations in Crete Electrical System (must be set on test operation before the completion and electrification of the Crete – Attika interconnection), or in the Non-Interconnected Islands.
- Production of heat and cooling from RES.
- Energy efficient district heating and cooling,
- Production of sustainable biofuels (not based on food-based plants and not subject to a supply or blending obligation).
- Also, investments aiming to convert existing food-based biofuel production units into sustainable biofuel production units.

By exemption, in the sector of transport and related infrastructure, eligible for state aid are projects regarding marina services, water-airport services, third party logistics, parking facilities and electrical vehicle charging on islands.



Eligible expenses

Eligible expenses for regional state aid (constitute the base of each investment plan)

A. INVESTMENT EXPENSES FOR TANGIBLE ASSETS

Buildings, purchase of fixed assets, purchase of new contemporary machinery and other equipment, financial leases, expenses for upgrading special facilities AND

B. INVESTMENT EXPENSES FOR INTANGIBLE ASSETS

Transfer of technology through acquisition of intellectual property rights, licensing, patents, knowhow and nonregistered technical knowledge. Quality assurance and control systems, certifications, purchase and installation of software and business organization systems.

OR ALTERNATIVELY TO a) AND b) ABOVE

C. THE PAYROLL COST OF NEW JOBS CREATED as a result of the implementation of the investment plan, for a period of two (2) years from the creation of each position.

Eligible expenses for non-regional state aid (supplementary to regional aid)

A wide range of aids from other articles of the General Block Exemption Regulations is available, depending on the Scheme:

- Investment Aid to SMEs (Art.17)
- Aid for consultancy in favor of SMEs (Art.18)
- Aid to SMEs for participation in fairs (Art.19)
- Aid for start-ups (Art.22)
- Aid for research and development projects (Art.25)
- Innovation aid for SMEs (Art.28)
- Aid for process and organizational innovation (Art.29)
- Aid for environmental protection (Art.36)
- Training Aid (Art.31)
- Investment aid for energy efficiency measures (Art.38)
- Investment aid for high-efficiency cogeneration (Art.40)
- Investment aid for the promotion of energy from renewable sources (Art.41)
- Investment aid for remediation of contaminated sites (Art.45)
- Investment aid for energy efficient district heating and cooling (Art.46)
- Investment aid for waste recycling and re-utilization (Art.47)
- Wage Subsidy or Training Aid for disadvantaged or disabled persons

Types of aid available

The types of incentives available for qualifying investments are the following:

1. **Tax exemption:** Exemption from payment of income tax on profits arising from current tax legislation.
2. **Subsidy:** Provision of funds by the State to cover a portion of eligible expenses of the investment plan, determined as a percentage of the total investment cost.
3. **Leasing Subsidy:** The State covers a portion of the installments paid pursuant to a leasing agreement concluded for the purchase of new machinery and other equipment, where the total duration of the leasing agreement cannot exceed 7 years.
4. **Wage subsidy** (for jobs created): The State covers the cost of new jobs created which are associated with the investment plan.
5. **Risk financing** (only available to New Entrepreneurship scheme): provision of aid for either the interest rate of reduced collateral loans, or the insurance costs of high-risk loans.
6. **Fast track licensing** (only available to Just Transition and Large Investments schemes)

All aid schemes are provided individually or in combination and they are calculated cumulatively for the determination of the total aid.

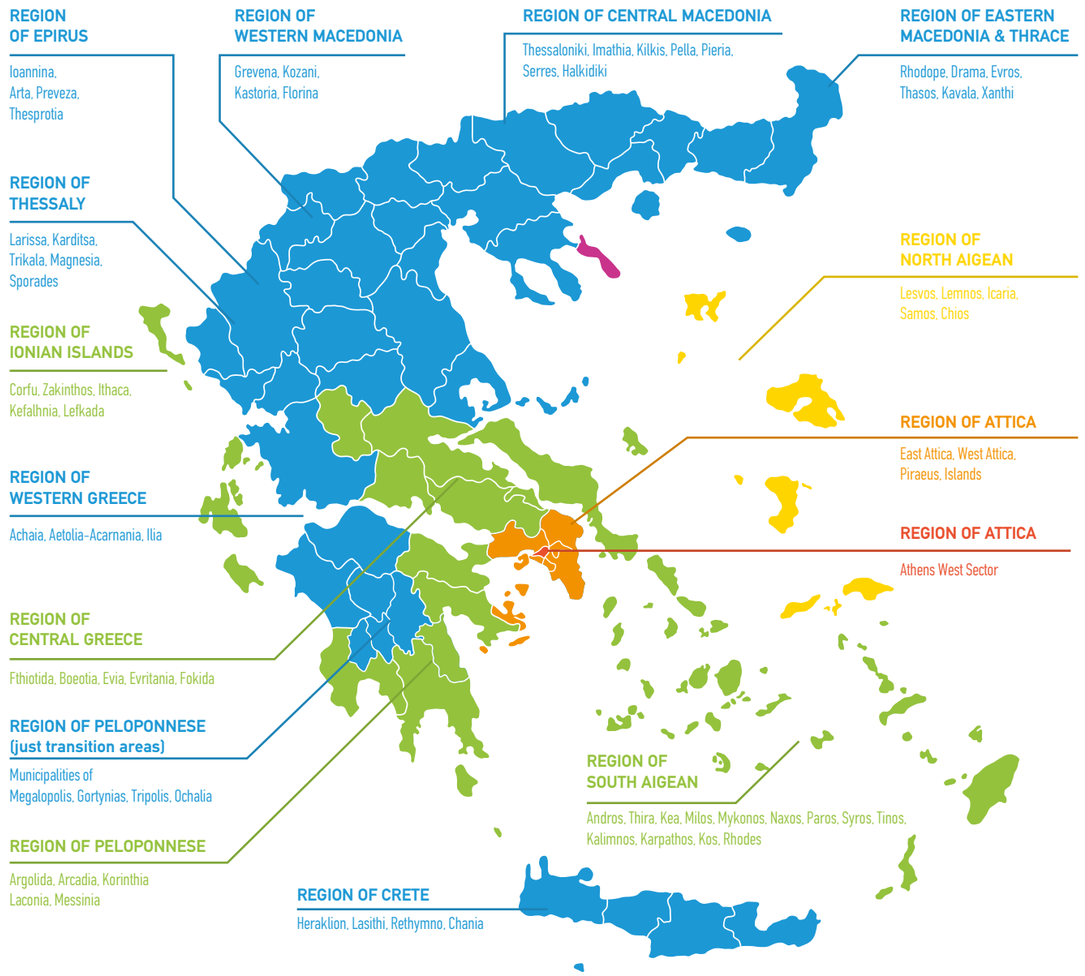
01.01.2022 – 31.12.2027

LE: Large Enterprises ⋮ **ME:** Medium Enterprises ⋮ **SE:** Small Enterprises

LE: 60%	**ME:** 70%	**SE:** 80%
LE: 50%	**ME:** 60%	**SE:** 70%
LE: 40%	**ME:** 50%	**SE:** 60%
LE: 25%	**ME:** 35%	**SE:** 45%
LE: 15%	**ME:** 25%	**SE:** 35%

IMPORTANT NOTICE: Athens North, Central and South sector, are not entitled to regional state aid.

Regional Aid Map



Submission procedures and costs

In order to be eligible, the beneficiary must submit a written application for participation in the aid scheme before the implementation of the investment plan.

The evaluation procedure is handled by the Investment Law Information System and is monitored by the competent authority based on standard procedures. An evaluator will be assigned, and the evaluation results are verified by an Investment Plans Evaluation Committee of the relevant authority. The evaluation is performed either with the comparative or the direct evaluation method, depending on the Scheme.

The application of the investment projects requires a fee set at one part per thousand of the eligible amount of the investment project (min EUR 300).

Just Transition Areas

With the ambitious National Energy & Climate Plan (NECP) towards a climate-neutral economy by 2050, the Greek government is committed to withdraw all lignite power plants by 2023, with the exception of "Ptolemais V" plant expected to be operational by 2028.

This commitment serves priorities related to the environmental protection, to the promotion of competitive electricity generation methods and to the diversification of the lignite-mining areas. At the same time, considering the national planning for the interconnection of the insular electric system with the mainland one and the gradual cessation of the operation of polluting autonomous steam power plants, these islands are also included in the just transition areas.

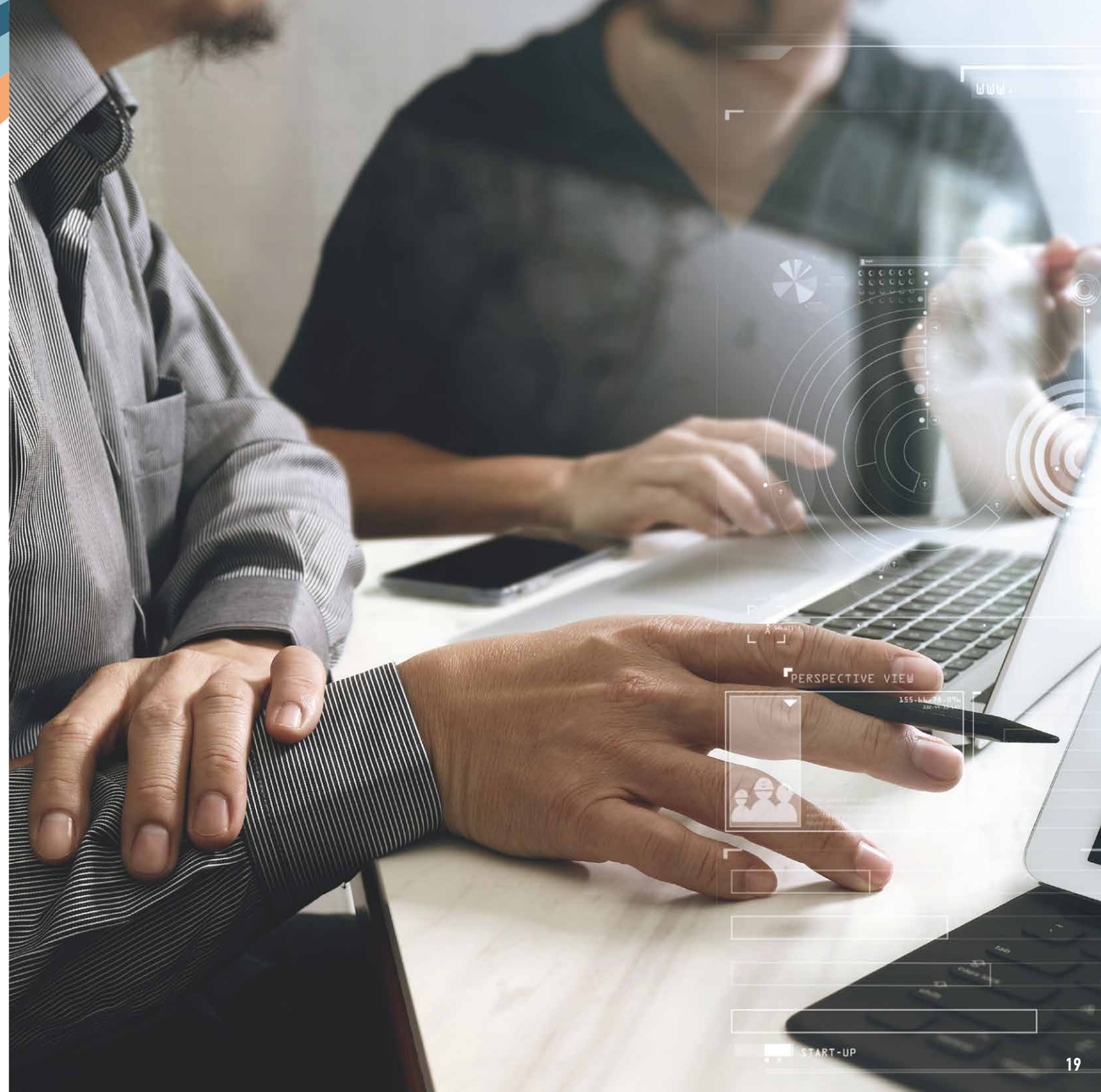
The roadmap for this process consists of the following steps:

1. Rehabilitation & reuse of degraded areas-facilities
2. Social cohesion & economic transformation (Transition to the new production model)
3. Governance; legal framework set up & establishment of Just Transition entities:
   - Just Transition Special Authority (JTSA), responsible for the overall coordination of any underlying just transition policies and funding sources
   - Metavasi S.A., in favour of the Greek State will:
     (i) be the owner and developer of mine lands Public Power Corporation S.A. will transfer to the Greek State and **(ii)** act as one of the basic beneficiaries of the Just Transition Development Programme as well as a technical supporter for local stakeholders.

Investment law Just Transition Regime, offers special support to investment projects in the Just Transition areas, as long as they involve research, innovation, digital innovation, digital connectivity, the circular economy, waste prevention and reduction or energy storage.

Strategic Investments

Strategic Investments under this law are considered to be investments of strategic importance for the national and/or the local economy, which strengthen employment, productive reconstruction and the promotion of the natural and cultural environment of the country, with main characteristics being the attraction of investment funds, extroversion and exporting activity, innovation, competitiveness, the integrated design, the saving of natural resources in the perspective of the circular economy and the high added value.



Quantitative features to be classified as a strategic investment (Law 4864/2021)

CATEGORY		CRITERIA: Annual Work Units (AWU)	CRITERIA: Total Budget	INCENTIVES (solely or jointly)
A. STRATEGIC INVESTMENTS 1	A	Regardless any threshold	Exceeding EUR 75 000 000	Spatial development incentives Tax rate stabilization Fast Track licensing
	B	At least 75 new AWU	Exceeding EUR 40 000 000	Spatial development incentives All Tax Incentives Fast Track licensing Expenditure aid for recruiting disabled or for R&D
B. STRATEGIC INVESTMENTS 2	A	Regardless any threshold	Exceeding EUR 20 000 000 in one of Agro, R&D, bio tech, culture industry (movies), robotics, AI, medical tourism, waste mgt, space / or Exceeding EUR 20 000 000 in digital transformation or cloud computing	All Tax Incentives Fast Track licensing Expenditure aid for recruiting disabled or for R&D
	B	At least 50 new AWU	Exceeding EUR 30 000 000	All Tax Incentives Fast Track licensing Expenditure aid for recruiting disabled
	C	At least 40 new AWU	Exceeding EUR 20 000 000 within Organized Manufacturing and Business Operators	All Tax Incentives Fast Track licensing Expenditure aid for recruiting disabled
C. EMBLEMATIC INVESTMENTS OF EXCEPTIONAL IMPORTANCE		Regardless any threshold	Regardless any threshold	Spatial development incentives All Tax Incentives Fast Track licensing All Expenditure aids (conditions apply)

CATEGORY		CRITERIA: Annual Work Units (AWU)	CRITERIA: Total Budget	INCENTIVES (solely or jointly)
D. FAST TRACK STRATEGIC INVESTMENTS	1	At least 30 new AWU	Exceeding EUR 20 000 000	Fast Track licensing Expenditure aid for recruiting disabled
	2	At least 30 new AWU	Exceeding EUR 10 000 000 and are part of a finished Strategic Investment	Fast Track licensing Expenditure aid for recruiting disabled
	3	Maintain at least 100 existing AWU	Exceeding EUR 15 000 000 Are current investments (strategic or not) regarding reengineering/ upgrading/ expanding facilities.	Fast Track licensing
E. AUTOMATICALLY INCLUDED STRATEGIC INVESTMENTS	1	Regardless any threshold	Exceeding EUR 20 000 000 Approved Public and Private Partnerships (PPP) Projects of Common Interest (PCI) & IPCEI	Tax rate stabilization Fast Track licensing
	2	Regardless any threshold	Exceeding EUR 10 000 000 For development of Business Parks (at least 500 acres) of L.3982/2011	Spatial development incentives All Tax Incentives Fast Track licensing

Incentives Types

SPATIAL

- **SSSDP Special Strategic Spatial Development Plans**
- **Forced expropriation of land assets (up to 3% of the under-development land surface)**
- **For Data Centers, maximum building factor is set to 0.8 and maximum coverage factor is set to 60%. For Strategic Investments 2b, 2c, Business Parks and Logistics, building factor is set to 0.6 and can be increased to 0.9**

Beneficiaries of spatial incentives are obliged to annual sustainability reporting.

TAX

- **Stabilization of Taxation rate**
- **Tax exemption based on the EU Regional State Aid Map for Greece or on ad-hoc approval by the EU or**
- **Acceleration in the depreciation of fixed assets**

FAST TRACK LICENSING

- **45 calendar days for permits/approval**

EXPENDITURE AID

- **Expenditure aid for the recruitment of disadvantaged / disabled employees max 5m€**
- **Grants for R&D projects in Industrial Research (max 20m€), Experimental Development (max 15m€), or Feasibility Studies(max 7.5m€)**
- **Emblematic investments can also receive aid in the form of (i) Expenditure Grants (20% haircut if not in delignitization zone), or (ii) State paying for leasing costs, or (iii)State paying for payroll cost, based on the EU Regional State Aid Map for Greece or on ad-hoc approval by the EU.**

Necessary condition for the provision of TAX or EXPENDITURE AIDS to Emblematic Investments, is the project to be completed by 31 Dec 2025.

Residence permit and executives' tax treatment

- Visa D and a ten-year residence permit, renewable for ten more years, are permitted to be granted to a maximum of ten executives of the investment regarding all Strategic Investments categories. The executives of the Strategic Investments may be accompanied by their family members to whom a residence permit for family reunification is also granted.
- Executives employed in the Strategic Investment and non-tax residents in Greece are deemed to maintain their tax residency abroad, whilst, for as long as their employment relationship lasts, they are subject to tax in Greece only on their Greek source income earned in a certain tax year. Similar tax treatment also applies for their dependent children as well as for their spouses or their partners under a civil partnership agreement, on condition that the spouse or partner has no business/working activity in Greece.

Emblematic Investments of Exceptional Importance

The investments implemented by distinguished legal entities, and promote the green economy, innovation, technology and the economy of low energy and environmental footprint and especially in this sector the infrastructure investments with specific energy criteria for the construction of new buildings, systems that combine RES power station and production of "green" hydrogen, as long as the power produced is exclusively used for Hydrogen production, offshore wind or floating photovoltaic parks, and investments which significantly strengthen the Greek economy and its international competitiveness.

Energy Investments

In order for Energy investments to qualify as Strategic investments of categories A, B, C or D, they must meet both the following specific criteria, on top of the general strategic investments criteria:

A. Belong to one of the following categories:

aa) Systems that combine RES power station and production of "green" hydrogen, as long as the power produced is exclusively used for Hydrogen production

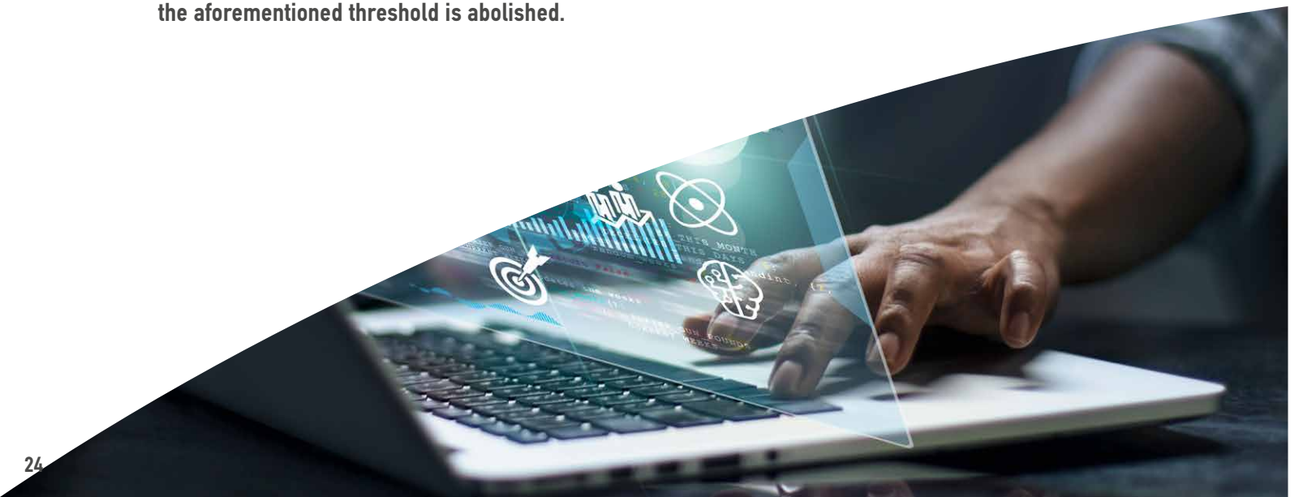
ab) Installation of offshore wind or/and floating photovoltaic parks,

ac) RES projects interconnecting areas of Greece (which are not yet interconnected and not included in the plan to interconnect of the approved 10 year Development Plan of the National Electricity Transmission System, as in force at the time of application submission) via submarine cable to the National Electricity Transmission System.

ad) RES projects of fully controlled electricity generation according to par. 14 of article 2 of law 4414/2016 (A' 149) (Power stations utilizing Biomass / Biogas, Geothermal, Solar Thermal stations)

ae) Storage systems for electricity produced by RES, as long as they have a common interconnection point with the national Electricity Transition System. This subcategory solely receives the incentive of Fast Track licensing.

B. Have a budget > € 75 000 000 unless the investment qualifies as "Emblematic", in which case the aforementioned threshold is abolished.



Procedure

EVALUATION AND INCLUSION

- **Submission of application to Enterprise Greece, accompanied by business plan, timetable, budget analysis, direct and indirect impact assessment and other necessary information.**
- **Assessment of file completeness by Enterprise Greece**
- **Call for public consultation in Enterprise Greece's online platform.**
- **Submission of the Enterprise Greece's final recommendation to the General Secretariat for Private Investments & PPPs. For R&D Projects, the opinion of General Secretariat of Research & Innovation is also taken into account**
- **Forward of the application with the relevant recommendation to the Strategic Investment Coordination Committee (SICC), who arrange for the Interministerial Committee for Strategic Investments (ICSI) assembly.**
- **Examination of the investment dossier by ICSI and decision on whether the Investment qualifies as Strategic.**
- **Publication of the decision in the Government Gazette.**
- **The Ministry of Development & Investments issues a ministerial decision on investment project details (scope, incentive, expenditures, time plan, terms etc.).**

IMPLEMENTATION OF THE INVESTMENT

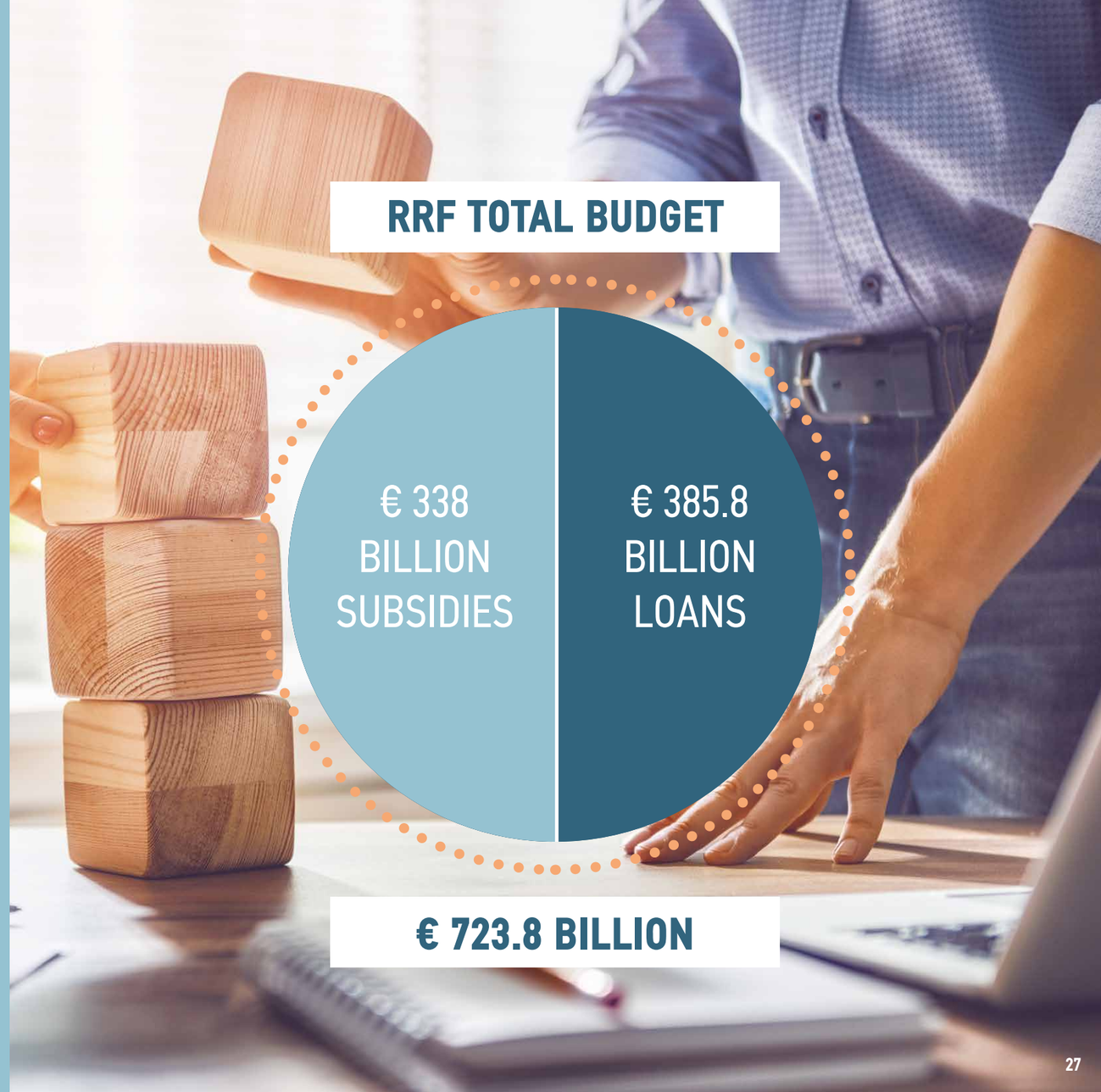
- **Submission of the investment and licensing dossier by the Investor to the General Directorate of Strategic Investments.**
- **The General Secretariat for Private Investments & PPPs and especially General Directorate of Strategic Investments, monitor the implementation process and takes all necessary steps to obtain licenses to enable the implementation of Strategic Investments**

Management Fee

- In order to cover Enterprise Greece's administrative cost for the evaluation of the investment application, a management fee of 0.1% of the investment's total cost is payable, which cannot be less than EUR 50 000 or cannot exceed EUR 250 000.
- The 25% of the management fee is paid upon the submission of the application, while the rest 75% is paid before the ICSI's meeting, during which the investment proposal will be discussed. In case the investment proposal is not finally accepted by the ICSI as Strategic, the 75% of the total management fee is refunded.

RRF Intro

The Recovery and Resilience Fund (RRF) came into force to mitigate the economic and social impact of the coronavirus pandemic and make European economies and societies more sustainable, resilient, and better prepared for the challenges and opportunities of green and digital transitions.



Recovery and Resilience Fund Loans

Type of aid

The aid is received in the form of low interest rate **loan**. The **benefit** results from the lower amount of interest to be paid by the company, compared to commercial loan interest rates.

The **minimum rate** is set to **0.35%** for Small enterprises and **1%** for Medium and Large enterprises, provided that the State aid cumulation limits are not exceeded.
It is also possible to apply for an RRF loan based on the **reference interest rate**, without having to comply with State aid restrictions.

RRF Loans can be used in combination with any other incentives program.

Reference Rate is defined by EU regulation as Base Rate (changes every month) **plus** the loan margin in basis points (see table).

LOAN MARGINS IN BASIS POINTS			
RATING CATEGORY	COLLATERALISATION		
	HIGH	NORMAL	LOW
STRONG (AAA-A)	**60**	**75**	**100**
GOOD (BBB)	**75**	**100**	**220**
SATISFACTORY (BB)	**100**	**220**	**400**
WEAK (B)	**220**	**400**	**650**
BAD/FINANCIAL DIFFICULTIES (CCC and below)	**400**	**650**	**1000**

Source: EU 2008/C 14/02

Eligible are the projects that fall into one or more of the 5 strategic pillars:

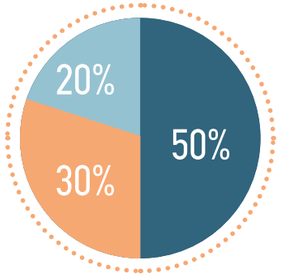
1. **Digital Transformation**
2. **Green Transition**
3. **Innovation – R&D**
4. **Extroversion**
5. **Mergers & Acquisitions**

Aid intensity

Depending on the coverage of specific criteria per pillar, up to 50% of the project budget can be financed by an RRF Loan.
The rest of the budget is financed by at least 30% from regular Bank Loans and by at least 20% from private funding.

FINANCING OF THE INVESTMENT PLAN

- Private Funding min 20%
- Bank Loans min 30%
- RRF Loan max 50%



Advantage of RRF Loans regarding RES Projects

- While only certain Energy projects are eligible for funding under Investment Law and Strategic Investments, RRF Loans are available for all types of RES projects.

Eligible Expenses

- Land – purchase/depreciation/leases/development
- Buildings – purchase/construction/use
- Equipment – purchase/construction/use
- Vehicles – purchase/use
- Intangible assets – purchase/construction/use
- Salaries associated with the investment project
- Travel expenses
- Third party services
- Consumables
- Operating costs (communication, energy, maintenance, rentals, administration costs, insurance, etc.)
- Working capital (operating costs, costs related to the company's transaction cycle, VAT, etc.)
- Promotion and communication costs (Marketing)

Recovery and Resilience Fund
State Aid Projects

Support of the installation of storage systems to enhance RES penetration (16926)

The action will be implemented through two different sub-investment activities:

a) the grant of aid for the installation of Amfilochia PHS of 680 MW storage capacity (already assigned) and

b) a call for submission of proposals concerning the installation of at maximum 700 MW capacity of new Energy Storage Facilities.

Beneficiaries: Storage Facilities investors, which if selected they will have to secure a licensing maturity until the contracted date (e.g., environmental permits), in order to implement the investment by the end of 2025 according to the provisions of funding through RRF.

The action will provide grant (€450 million) to storage facilities investments for total capacity of at maximum 1380 MW (680 MW + 700 MW) and of approximately €1.1 billion of total cost.

Energy and entrepreneurship (16874)

State Aid grants to improve the energy efficiency of the operation of **SMEs** with the aim of saving at least 30% of the total consumption.
The incentive structure of the schemes will include, amongst others, a special incentive - Special Transition Premium - for increased financial support of energy renovation investments in the energy transition areas.

Eligible interventions include energy renovation of buildings, energy upgrade of the production process including waste heat recovery, installation of new or replacement of existing heating or cooling system as well as hot water supply with RES system, high efficiency cogeneration for self-consumption, installation of smart systems and IT equipment, electrical vehicles etc.

Beneficiaries: Companies in the secondary and tertiary sector, including the tourism sector, regardless size.

The total cost of the investment is estimated to be €947.5 million. RRF contribution will be €450 (€558 million including VAT) million. The remaining €497.5 million will be participation from the private sector.

Produc-E Green (16831)

The investment aims at establishing sustainable urban mobility and promoting storage of CO2 emissions; and is composed of two state aid projects:

1. The incentives for the **creation or the upgrade of 20 industrial production units with the latest green technology**. It is mandatory for the production units to include an R&D department for the promotion of innovative products or services such as: recycling of electric car batteries by reusing raw materials such as lithium and cobalt, the production of electric vehicles and regular or high power charge points. **To benefit from the incentives**, the investor is obliged to use energy from Renewable Sources, so as the whole procedure of the production to be 100% green, nullifying at the same time the pollutants. More specifically, nationwide investments will be strengthened through the **following incentives:**

- Exception from the total labor cost for each employee during the construction period and until the commence ment of productive operation.
- Reduction of tax rate 5% for five (5) profitable years. The reduction is provided for pre-tax profit and is calculated after depreciation.
- Depreciation of the expense in CAPEX by 15%.
- Acceleration of depreciation of capital: The accelerated depreciation is provided for fixed assets included as part of the investment plan, with an increase of the standard depreciation rates. The rate will be 33,3% and the depreciation period 3 years.
- Fast-track procedure: The provisions rationalize licensing procedures introducing new actions to expedite process and to eliminate bureaucratic procedures. Red type is thus bypassed, providing investors the guarantees of the immediate action of public.

Beneficiaries: Companies currently engaging in R&D, e-mobility and the shipping sector

2. The development of the first CO2 Storage facility in Greece. The Carbon Capture and Storage (CCS) facility will not operate using extraction/recovery activities. Appropriate **State Aid** approvals will be secured (if required and not falling under applicable exemptions) in advance, either by approval of a support scheme or by individual notification for a specific project.

Beneficiaries: A number of energy intensive industrial consumers from hard to abate sectors, thermal power plants and interested parties outside Greece with an interest to store the CO2 production will be the main stakeholders involved in the scheme.

The total cost of the investment is estimated €889 million, out of which €300 million (€363 million including VAT) will be covered by Recovery and Resilience Facility grants and €589 million from private contributions.

Electromobility (16924)

The investment relates to the electrification of the Greek transport system and the development of sustainable means of transportation, by replacing old busses with 220 new electric ones, by creating a subsidy scheme (Incentive) that helps reduce the upfront (CAPEX) costs of purchasing 2000 zero tailpipe emission taxis and by **developing 8.656 publicly accessible charge points** at strategic urban and suburban locations within cities and at points of interest (i.e. airports, motorways, ports and in private parking areas).

Beneficiaries: Companies (Charge Point Operators - CPOs) that develop publicly accessible charging networks.

The total cost of the investment is estimated €356 million, out of which €220 million (€272.8 million including VAT) will be covered by RRF grants and the remaining €94 million by private capital.

Accelerating Smart Manufacturing (16721)

The proposed action aims to **support small and medium enterprises of the Greek industrial ecosystem with grants** in order to enhance their technological infrastructure and to upgrade their manufacturing equipment using state-of-the-art smart technologies (artificial intelligence, biga data, smart manufacturing, robotics & automations) with low environmental impact.

Moreover, the program will support investments in industrial schemes/clusters comprising enterprises of important industrial value chains to promote the Industry 4.0 transformation in Greece and advance the competitiveness of the Greek industry.

Potential investments are expected to reach maximum amount up to €6.000.000 depending on the different activities which the enterprises would seek to engage in, with the acquired financing, combined with their size and the region they are allocated.

Each project budget cannot be lower than €300.000 and higher than €6.000.000. The aid intensity will be according to Regional Aid Map.

Beneficiaries: SMEs with turnover between € 1 to € 50 million. In terms of business activities, the program is addressed to companies of the NACE of the following categories: B = Mining and quarrying, C = Manufacturing, D = Electricity, gas, steam, and air conditioning supply, H = Transporting and storage, J= Information and communication.

The total budget of the project is €150 million, RRF will contribute with €75 million (€75 million VAT excluded) and an equal contribution is expected by the private sector.

Partnership Agreement (PA) 2021-2027

The **PA (Partnership Agreement for the Development Framework) 2021-2027** constitutes the main strategic plan for growth in Greece with the contribution of significant resources originating from a variety of European Union Funds (ERDF, CF, ESF, JTF, EMFAF). Various state aid programs will be launched, under PA. The **total budget of PA is €26.2 billion**.

Policy objectives:

- Promotion of an innovative and smart economic transformation – 20% of the total resources
- Promotion of equitable clean energy and green and blue investments – 27% of the total resources
- Development of accessible, high quality, multimodal, smart, and sustainable infrastructure and transportation systems – 8% of the total resources
- Investment in human capital and assurance of equal access to quality services and goods - 30% of the total resources
- Promotion of sustainable and integrated development by supporting local initiatives – 6% of the total resources
- Targeted actions for the lignite-dependent regions of West Macedonia, Megalopolis and the islands – 7% of the total resources

The 2021-2027 PA comprises of 22 Programs, 9 Sectoral and 13 Regional:

- The Sectoral Programs pertain to one or more sectors, with nationwide geographical scope.
- The 13 Regional Operational Programs (ROPs), one for each Greek Region, contain actions of regional scope.

RESOURCE ALLOCATION PER PROGRAM - TOTAL BUDGET: € 26.2 billion

13 REGIONAL PROGRAMS € 8.1 b	COMPETITIVENESS € 3.9 b	HUMAN RESOURCES & SOCIAL COHESION € 4.2 b	DIGITAL TRANSFORMATION € 0.9 b
	ENVIRONMENTAL & CLIMATE CHANGE € 3.6 b	TRANSPORTATION € 2.2 b	CIVIL PROTECTION € 0.7 b
	TECHNICAL ASSISTANCE & BENEFICIARY SUPPORT € 0.5 b	JUST TRANSITION DEVELOPMENT € 1.6 b	FISHERIES, AQUACULTURE & THE SEA € 0.5 b

Public Employment Service
Grants Schemes

Public Employment Service aims to find jobs and protect the unemployed from economic destitution, while at the same time making a decisive contribution to meeting employers' needs for skilled human resources.

The following programs are active:

Special Pre-employment Program for 2,000 unemployed young people, aged 18-29 years old, in the Regions of Western Macedonia and Peloponnese affected by the effects of delignification.

Beneficiaries: All companies regularly engaged in economic activity throughout the said Regions.

The new employees must be registered for at least 1 month in the Employment Promotion Centres.

The duration of the program is 7 months and the Public Employment Service will pay monthly compensation equal to the minimum monthly salary (full social contributions) and proportion of Christmas, Easter and holiday allowance.

Business Grants Program for the employment of 3,400 unemployed, former employees of companies affected by delignification in the regions of Western Macedonia and Peloponnese

Beneficiaries: All companies operating in the said Regions.

The new employees must be unemployed people registered in the Public Employment Service for at least 1 month prior to the date of their submission to the program, who were employed from 1/1/2019 onwards, in companies of the said regions.

The duration of the program is 12-18 months, and the incentive consists of 75-100% subsidy of the wage and non-wage cost (salaries and social contributions) of new employees recruited, depending on the previous background of the employee.

Pre-employment program for 300 unemployed young people aged 18-30, in the Municipalities of Istiaia-Aidipsou and Mantoudiou - Limni - Agia Anna, of the Regional Unit of Evia

Beneficiaries: All companies that have not reduced its staff during the last quarter prior to the date of submission to the program and have not received State aid of more than 200.000 euros in the previous 3 years (current and previous 2 years)

The new employees must have at least received the compulsory education (within 3 years of their submission to the program) and be registered in the Public Employment Service.

The duration of the program is 7 months, and the Public Employment Service will pay monthly allowance equal to the minimum monthly salary (full social contributions) and a proportion of Christmas, Easter and holiday allowance.

Pre-employment program for 15,000 unemployed young people aged up to 29 years old in the regions of Attica and Central Macedonia

Beneficiaries: All companies that have not reduced its staff during the last quarter prior to the date of submission to the program

The new employees must have at least received the compulsory education and be registered in the Employment Promotion Centers which are located in the Regions of Attica and Central Macedonia.

The duration of the program is 7 months and the Public Employment Service will pay monthly allowance equal to the minimum monthly salary (full social contributions) and a proportion of Christmas, Easter and holiday allowance.

Source: https://www.dypa.gov.gr/proghrammata-anoikhta

Tax Incentives

The Greek tax law includes various provisions that result in tax reduction:

Article 22A – Incentives for R&D projects

Beneficiaries: All companies based in Greece

R&D costs of own funded projects are deducted at the time of their realization from legal entities' gross income, incremented by 100%.

The process involves an annual application (by the deadline for submitting tax returns) to the General Secretariat for Research and Innovation, in order to certify the R&D costs carried out during the previous year.

Eligible expenses (For the part of the project associated with R&D)

- Depreciation of building costs (purchase, construction, repair, maintenance, renovation)
- Depreciation of purchase or leasing costs of laboratory equipment
- Depreciation of costs for the purchase of specialized software licenses.
- Current operating expenses (rent, bills, etc.)
- Staff remuneration (in proportion to the time spent on the project).
- Travel costs for cooperation with laboratories, communication of research results and participation in relevant conferences, etc.
- Expenditure on consumables (reagents, small accessories, disposable instruments, etc.).
- Expenses for the purchase or issuance of patents in Greece and abroad.
- Connection costs to databases, knowledge networks, electronic libraries, etc.
- Subcontracting expenditure with external partners or bodies
- Expenditure on the purchase of intangible assets, know-how, approval fees and patent fees for pharmaceutical preparations under development and production in Greece for R&D projects

Over-depreciation
for energy efficient investments

Beneficiaries: All companies based in Greece

CAPEX costs related to energy efficiency (i.e. building thermal insulation, heating/cooling systems, RES own production, lighting, BMS) or water conservation are depreciated at the tax depreciation rates (% per tax year), incremented by 100%. If the initial depreciation rate is higher than 10%, the increased rate cannot exceed 10 percentage points.

Deduction of over-depreciation from taxable profit: The amounts of increased depreciation are deducted from the net taxable income of the tax year in which they relate. In particular, their calculation shall start from the following month in which the expenditure related to energy efficiency or water saving is identified as falling under these provisions.

In case of loss instead of profit: If the determination of business profits results in a loss within the tax year, the loss is carried forward to be offset against business profits consecutively in the next five (5) tax years. The loss in the earlier year shall be offset in priority to the loss in a later year.

The process involves the annual submission of a technical report signed by an engineer, stating the technical characteristics of the systems being installed or upgrade and justifying the relevant energy/water savings.

For years 2023, 2024, 2025, over-depriciation will also be applicable for costs related to green economy, energy and digitalization, only for SMEs.

Other tax incentives

TAX INCENTIVES FOR ANGEL INVESTORS
For investments in startups registered with Elevate Greece (up to 3 start-ups X € 100,000 each), individuals have the right to deduct an amount equal to 50% of their contribution, from their taxable income in the fiscal year in which this contribution took place.

NON-DOM REGIME FOR HIGH-NET-WORTH INDIVIDUALS
A new non-dom regime provides an alternative way of taxing income derived abroad for individuals transferring their tax residence to Greece (nondom), subject to investing at least EUR 500,000 in real estate, businesses, or transferable securities or shares in legal entities based in Greece.

NEW TAX REGIME FOR FOREIGN RETIREES
Individuals earning pension income from abroad can transfer their tax residence in Greece and choose to be subject to an alternate tax regime regarding the taxation of their foreign income in Greece. These are taxed with a 7% flat income tax for their income obtained abroad.

CAPITAL GAINS TAX SUSPENSION FOR REAL ESTATE
Tax on capital gains from the transfer of immovable property (real estate) is suspended until 31.12.2024

VALUE ADDED TAX (VAT) SUSPENSION FOR TRANSFER OF NEW BUILDINGS
The imposition of VAT on the transfer of new buildings is suspended until 31.12.2024 through the filing of an application by the constructor. In such cases the relevant Real Estate transfers will be subject to Real Estate Transfer Tax. The right to deduct the input VAT related to respective construction expenses is also suspended.

PHARMACEUTICAL PRODUCTS FOR HUMAN MEDICINE ARE SUBJECT TO A SUPER-REDUCED VAT RATE OF 6%.

TAX INCENTIVES FOR THE ESTABLISHMENT OF SPECIAL PURPOSE FAMILY PROPERTY MANAGEMENT COMPANIES (FAMILY OFFICES)
The gross income of family offices is determined by the cost method (including all types of expenses and depreciation, except income tax) plus a profit margin of 7%, while the tax is calculated at the current rate.

SPECIAL TAXATION REGIME FOR FOREIGN EMPLOYEES
The individual is exempt from income tax on 50% of his employment income/income from individual business activity earned in Greece during the tax year. This is valid for 7 years.

NEW TYPE OF NATIONAL VISA FOR DIGITAL NOMADS
A new type of national visa is introduced, providing the right of an up to 12 months residency in Greece, to non-EU nationals who work remotely using digital technology with employers or clients outside Greece (digital nomads).

TAX INCENTIVES FOR COLLABORATIONS AND CORPORATE RESTRUCTURINGS
Various tax-related measures applicable to business restructurings and collaborations have been introduced such as (a) income tax exemption on the taxable profits of the company that result from any type of restructuring or, in case of collaborations, the taxable profits of the collaborating persons, (b) tax exemption of capital gains arising from the transfer of fixed assets to third parties, (c) exemption from stamp duty and income tax on capital gains arising from business restructurings, etc.

Investment Incentives to SSCs and BPOs

With its culturally diverse, qualified, and experienced work force, its multilingual university graduates available at a very competitive labor cost, the diversity of employment contracts and new forms of work, as well as its very low wage growth, Greece offers a pro-business, stable and predictable environment, for the establishment of Global Business Services/ Shared Service Centers and Back Office and Front Office Outsourcing/ BPO centers.

Subsidies for payroll cost and CAPEX are granted to cover part of the cost of undertaking various types of intragroup services as a new activity in Greece:

- **1) Subsidy for the recruitment of employees in an inferior position or with disabilities:** 50% of personnel cost for up to twelve months following an employee's recruitment, up to an annual amount of EUR 35 000 per employee – the cumulative personnel cost cannot exceed EUR 3.5 million within a period of 5 years, while such subsidy cannot annually exceed the amount of EUR 5 million in conjunction with other types of subsidies obtained by the same beneficiary
- **2) Subsidy for the training of new employees:** 50% of the cost incurred for the training of new employees with regards to the beneficiary's activities – such training cost cannot exceed an amount of EUR 3 million, while such subsidy cannot exceed EUR 2 million per training program in conjunction with other types of subsidies obtained by the same beneficiary.
- **3) R&D Grants:** 50% of personnel costs, expenses related to buildings, instruments and equipment, payment of contractual research and consulting services, and other operating expenses utilized in the context of industrial research – such grant cannot exceed an amount of EUR 20 million per project. The above thresholds for the conduct of experimental research are set to 25% and 15 million respectively, while for feasibility studies they amount to 50% and 7.5 million accordingly.
- **4) Support of wage costs and computer and communications systems installation costs:** 50%of personnel costs for up to twelve months following an employee's recruitment, and of the equipment and software purchase cost – such personnel, equipment and software costs cannot exceed an amount of EUR 400 000, while such subsidy cannot exceed EUR 200 000 over a three-year period in conjunction with other types of subsidies obtained by the same beneficiary

Entrepreneurship Fund III

Hellenic Development Bank of Investments (HDBI)

Hellenic Development Bank of Investments S.A. (HDBI ex TANEO) is a "fund of funds", investing in the creation of **venture capital funds** which will in turn **invest in SMEs** registered in Greece that, preferably, are at the start-up stage or in first stages of their development and are active in sectors of the "new economy".

HDBI participates exclusively in funds which they are managed by private sector bodies operating in accordance with private economic criteria. Its contribution may reach **up to 70%** depending on the Fund. Maximum investment period is 5 years whereas the duration of the investment scheme is 10 to 15 years.

Depending on the investment targets, the following programs are available:

INNOVATENOW FUNDS	
AVAILABLE RESOURCES	€ 100 million
DEADLINE FOR SUBMISSION	31/12/2024
INVESTMENT TARGETS	Start-ups operating in fast-growing sectors such as: • Information technology • Biotechnology • Microelectronics • Artificial Intelligence, etc

Q-EQUITY FUNDS	
AVAILABLE RESOURCES	€ 400 million
DEADLINE FOR SUBMISSION	31/12/2024
INVESTMENT TARGETS	Enterprises that maintain an establishment in the Greek territory at the time of investment.

ACCELERATE TT FUNDS	
AVAILABLE RESOURCES	€ 60 million
DEADLINE FOR SUBMISSION	Until the exhaustion of the available resources.
INVESTMENT TARGETS	Innovative start-ups that support Technology Transfer, with extrovert characteristics and prospects of significant growth potential (scalability).

CO-INVESTMENT FUNDS	
AVAILABLE RESOURCES	€ 100 million
DEADLINE FOR SUBMISSION	Until the exhaustion of the available resources.
INVESTMENT TARGETS	Co-investment in SMEs or mid-caps in order to primarily finance the development of its business, expand its activities or generate added value.

GREEK GREEN FUNDS	
AVAILABLE RESOURCES	€ 400 million
DEADLINE FOR SUBMISSION	Until the exhaustion of the available resources.
INVESTMENT TARGETS	SMEs involved in providing services for energy and natural resource conservation or the circular economy or the production of energy from renewable sources.

RESTRUCTURING / EP-ANODOS FUND	
AVAILABLE RESOURCES	€ 50 million
DEADLINE FOR SUBMISSION	Until the exhaustion of the available resources.
INVESTMENT TARGETS	Enterprises engaging in manufacturing and processing operations which are in need of restructuring / reorganization.

MADE IN GREECE FUND	
AVAILABLE RESOURCES	€ 150 million
DEADLINE FOR SUBMISSION	Until the exhaustion of the available resources.
INVESTMENT TARGETS	Enterprises engaging in the production and promotion of brand-name products "Made in Greece".

4IR FUND	
AVAILABLE RESOURCES	€ 50 million
DEADLINE FOR SUBMISSION	Until the exhaustion of the available resources.
INVESTMENT TARGETS	R&D companies engaging in 4IR technologies.

Source: https://hdbi.gr/en/tenders/cfp

Entrepreneurship Fund III (TEPIX III), managed by the HELLENIC DEVELOPMENT BANK (former ETEAN SA), aims to promote entrepreneurship, facilitate access to financing for micro, small and medium sized enterprises and enhance investment activity in the country.

The Action offers financing for investment loans with preferential pricing terms as 40% of the loan is funded by the Entrepreneurship Fund III and is interest-free. Partner banks participating in the program contributing 60% of the capital of each loan.

BENEFICIARY COMPANIES
SMEs of any Legal Form and stage of operation (even newly established ones)
Companies with eligible NACE Codes
Companies that don't have outstanding tax or social insurance obligations
Companies that are registered, operate and invest in Greece
A company may submit more than one request for different investment projects, provided that the sum of the company's approved loans in the TEPIX III Subprograms does not exceed the maximum amount imposed depending on EU State Aid Regime (De Minimis, General Block Exemption Regulation 651/2014)

WHAT IS FUNDED	FINANCING AMOUNT	DURATION	INTEREST SUBSIDY	GUARANTEE PROVISION
Investment plans	€10.000 to €10.000.000	5-12 years with a grace period up to 2 years	2-3% for 2 years	70% - 80%
Working Capital	€10.000 to €500.000	2-5 years with a grace period up to 1 year Up to 3 years for revolving credit		

Source: https://hdb.gr/en/

Hellenic Development Bank (L.4608/2019, A66)

The **Hellenic Development Bank SA** (HDB) was established by Law 4608/2019 (Government Gazette A΄ 66/25.4.2019) and is the successor of the Hellenic Fund for Entrepreneurship and Development (ETEAN SA). It is the only 100% state backed financial intermediary in Greece, at the supervision of the Bank of Greece, which is functioning in reciprocity with the Greek banking sector.

It seeks to harmonize EU regulation and local banking practices for the benefit of the national MSMEs, through the provision of low – cost financing solutions for business entities with limited access to customary bank financing.

HDB's corporate mission is to actively support SMEs by issuing loans to enterprises from various ETEAN Funds and from projects co-funded by the European Union. Lending is indirect through banks, investment funds and other financing entities.

Source: https://hdb.gr/en/identity/

International Organizations' Support to Greek Investments

European Investment Bank (EIB)

The EIB provides finance and expertise for sound and sustainable investment projects in Greece since 1963. EIB invested approx. €18,9 billion between 2010-2020 in Greece, mainly in infrastructure, SMEs and energy projects. More recently in 2021 Greece became the largest per capita beneficiary of EIB Group engagement including €2.7 billion through a new European Guarantee Fund COVID response.

Source: https://www.eib.org/en/projects/regions/european-union/greece

InvestEU Fund

The InvestEU Fund combines EFSI and 13 other - formerly independently managed - EU financial instruments and is expected to stimulate more than €372 billion of public and private investment. An EU budget guarantee of €26.2 billion backs the investment of the European Investment Bank Group and other financial partners. The EIB Group will have access to 75% of this guarantee and will act as the main implementing partner for the fund.

Source: https://www.eib.org/en/products/mandates-partnerships/investeu/index.htm

European Bank for Reconstruction and Development (EBRD)

European Bank for Reconstruction and Development (EBRD) is financing 108 projects with 7.4 billion (as of February 2024) regarding investments in Industry, Commerce & Agribusiness, Financial institutions (Greek banks, Equity funds) and sustainable infrastructure.

Source: https://www.ebrd.com/greece-data.html

EIF - European Investment Fund - total commitment €1.3 billion

- Microfinance and social entrepreneurship: €11 million
- Guarantees, securitisation and funded instruments: €887.7 million
- Equity: €418.8 million
- 11,500 Greek SMEs supported

Source: https://www.eif.org/news_centre/publications/EIF_Greece.pdf

International Finance Corporation (IFC – WBG)

IFC's engagement in Greece ceased at the end of 2020. As of FY23, IFC's long-term committed portfolio with Greek sponsors in emerging markets amounted to over $12 million, while IFC's portfolio in Greece stood at $53 million.

Source: https://www.ifc.org/content/dam/ifc/doc/2023/ifc-and-greece.pdf

Black Sea Trade & Development Bank (BSTDB)

Black Sea Trade and Development Bank (BSTDB) has approved 32 projects in Greece (as of 29 Feb 2024) with a total investment of €894 million (Industrials, Energy, Utilities, Telecom, IT)

Source: https://www.bstdb.org/our-projects/country-profile/greece

Investment Incentives for Technology driven SMEs

EquiFund II

Equity financing is when an investor gives you money in return for a share in your business. The investment period can range from around five to seven years, after which your investor will look for a return on their money through the sale of the company or by offering to sell shares in the company to the public.

The EquiFund II initiative is the successor of the EquiFund equity mandate signed in 2016. EquiFund II is implemented through the Programme "Competitiveness" 2021-2027 and is co-financed by the European Regional Development Fund (ERDF).

Through EquiFund II, with an initial budget of €200 million, Greek startups, SMEs and mid-cap enterprises in Life Sciences, Healthcare and Sustainability and Social Impact will be supported.

In particular, the Fund aims to improve the market conditions for investments in companies with the provision of venture capital and private equity funds along with the co-investment of selected intermediary financial institutions and private investors.

It will target investments in all asset classes, ranging from pre-seed, seed and early - stage investments to growth investments. As a result, it will support the whole investment spectrum of the venture capital and private equity eco-system, depending on market needs.

Elevate Greece

ELEVATE GREECE
national startup point

The National Startup Registry is the official record of startups in Greece.

The Registry aims at monitoring startup entrepreneurship progress based on specific KPIs, at supporting them with benefits and incentives, and to operate as a dashboard of metrics to attract investors from Greece and abroad.

Benefits for start-ups:

Official Business Partners support startups through offering monetary and other prizes at the annual National Startups Award Event.

INTERNATIONAL VISIBILITY
Fill out your profile - gain international visibility and promote your innovative products and services

SUPPPORT MEASURES OFFERED BY STATE AUTHORITIES
Stay tuned for state aid schemes and other support measures

FUNDING
Receive funding from Venture Capital Funds and Angel Investors

NETWORKING OPPORTUNITIES
Discover opportunities to network with innovation community players and explore synergies within the innovation ecosystem

UPDATES
Receive updates on events and business missions

JOB OPENINGS
Find highly-talented personnel using the platform

Source: https://elevategreece.gov.gr/startup-registry/

Horizon Europe 2021-2027

Horizon Europe is the EU's key funding programme for research and innovation with a budget of €95.5 billion.

Horizon Europe seeks to support the best European researchers and innovators in their fight to create a sustainable, resilient, and healthy Europe. The new Horizon Europe 2021-2027 Programme will assist the three pillars of:

- Excellent Science
- Global Challenges & European Industrial Competitiveness
- Innovative Europe

For the final pillar of "Innovative Europe," Horizon Europe 2021-2027 will introduce new features like the European Innovation Council (EIC) and the establishment of European Innovation Ecosystems. **With a budget of over €10 billion, EIC will support the emerging innovations by SMEs, start-ups, and midcaps.** Finally, the European Innovation Ecosystems will connect regional and national innovation actors.

Source: https://eucalls.net/blog/transition-horizon-europe

ENTERPRISE GREECE
INVEST & TRADE

www.enterprisegreece.gov.gr

KPMG