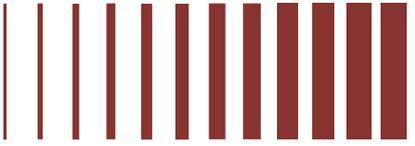


Covid-19 Second Phase: Sustainability Measures for Businesses and Employment Matters

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& PARTNERS**



COVID-19 SECOND PHASE: SUSTAINABILITY MEASURES FOR BUSINESSES AND EMPLOYMENT MATTERS

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As the world experiences an unprecedented shock from the spreading of COVID-19, governments have had to combat the severe public health emergency with outbreaks spreading on a global level.

With a view to contain the infection, the Greek government adopted measures which gradually lead to a lock-down of businesses and activities in the country for months March and April while adopting measures to sustain the Greek economy.

Having successfully contained the spread of the first wave of the virus by imposing a general lockdown for a period of 42 days, the Greek government is now commencing the effort to resume economic activity in most sectors while adopting new measures to act as safeguards for the public health.

The present newsletter is an overview of the new measures adopted in this context.

Note: for the purposes of the present the terms below shall have the following meaning: i) **affected businesses, affected companies and self-employed professionals and sole practitioners who operate in business sectors affected:** those which belong to sectors determined by the Ministry of Economy, according to the primary or secondary (where the secondary activity generates higher revenues than the primary) Code of Professional Activities (CPA), regardless of whether they continue to operate normally or partially, if they were forced by the law to shut down or, they closed on their own initiative as a matter of precaution.





I. MEASURES REGARDING BUSINESSES

1. Gradual reopening of private businesses (Joint Ministerial Decisions 1644/03.05.2020 and 1647/03.05.2020)

Having previously suspended the operation of private businesses throughout the country from 18.03.2020, the Greek government has now decided to gradually allow them to resume operation, starting on 04.05.2020 based on a specific plan.

Social distancing continues to be a necessity, with an emphasis now given to protection measures while in public spaces and shops. In particular, individuals are required to keep a distance of at least two meters between them and use protective masks as recommended.

On 04.05.2020, bookshops, optician shops, stores selling sporting goods, stores of hearing aids, barbershops, beauty salons and KTEO begin their operation following specific rules. More specifically, retail shops will operate from 10 am provided an extension of opening hours, where required.

On 11.05.2020, the rest of the retail businesses are expected to begin their operations. Industrial goods will be available to farmers' markets and driving schools will restart their operation as well.

On 18.05.2020, zoos and botanical gardens are expected to commence their operation, excluding shows. Archaeological sites and gaming services will open as well on the same date.

On 01.06.2020, shopping malls will open again, while only outdoor restaurants and cafes will be allowed to operate.

After the successful initiation of operation of the aforementioned businesses, the following are expected to operate, at the last stage of the process:

- i) Summer cinemas with a maximum permissible occupancy of 60%
- ii) Hotels that remain open for the whole year
- iii) Amusement parks, theme parks and outdoor playgrounds
- iv) Indoor restaurants and cafes, businesses that provide holiday accommodation services, entertainment businesses and sports facilities.





2. State funding support to affected businesses (Joint Ministerial Decision 1645/03.05.2020)

The Ministerial Decision of the Minister of Economy and Minister of Development and Investment sets out special criteria, conditions, application deadlines and details of the proceeding regarding the granting of repayable advance to affected businesses. The state funding support shall be granted either in accordance with C(2020) 1863/19.03.2020 European Commission Announcement for the state financial support to tackle the spread of Covid19 ("*Temporary Framework*"), or in accordance with the Commission Regulation (EU) No 1407/2013 regarding the "de minimis financial aid" (*de minimis Regulation*).

Every private business affected, including the sole entrepreneurs who employ from 1 to 500 employees on 31.03.2020, as well as every private business, including partnerships (O.E.), limited partnerships (E.E.), limited liability companies (E.P.E.) and private capital companies (I.K.E.) who do not employ any employees on 31.03.2020 regardless of the industry they belong to.

To be eligible, such businesses shall meet the following prerequisites, as defined in article 3 of the Ministerial Decision:

- Have their registered seat or permanent establishment in Greece, duly operating, being affected by the spread of Covid-19 and having submitted their applications through the electronic platform "*myBusinessSupport*",
- Have duly submitted their income tax and VAT returns within the deadlines specifically defined in the Joint Ministerial Decision,
- Not be inactivated from 01.04.2019 to 02.04.2020,
- Businesses who have submitted their operation commencement with the registry of Independent Public Revenue Authority (AADE) until 31.03.2019 shall not have submitted until 03.05.2020 any credit VAT returns with zero output VAT for the period from 01.04.2019 to 31.03.2020,

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- The use of VAT shall not have been suspended regarding the intra-community transactions until 03.05.2020,
- They have a positive turnover at any time from 01.01.2019 up to 31.03.2020, in accordance with their VAT or income data, as the case may be,
- Businesses who have their operation to be suspended or prohibited, either having a primary Code of Professional Activities (CPA), as determined by the Ministry of Economy and as defined in Annex III of the Ministerial Decision, or whose gross income in relation with an active secondary CPA on 20.03.2020, as determined in Annex III, is higher than the income attributed to their principal CPA, as such income derives from their initial income tax return of the year 2018, or their turnover is reduced, as determined in the Joint Ministerial Decision, and
- Businesses shall not fall under the provision of article 40 par. 1 of Greek law 4488/2017 (provision regarding the exclusion of business from the granting of any funding support, either by national or EU funds, due to the imposition of sanctions for its violation of labour laws).

Businesses shall, also, meet specific requirements depending on whether they apply for the funding support under the Temporary Framework or under the de minimis Regulation, as provided by the Ministerial Decision. In case that the repayable advance will be granted on the basis of the Temporary Framework, the supporting documentation provided in Annex II.B. of the Joint Ministerial Decision shall, also, be submitted until 30.11.2020.

The amount of the repayable advance is determined and calculated regarding the type of each business, on a standardized manner described in the Ministerial Decision.





The minimum amount of the funding support is 2,000 euros for businesses with no employees, 4,000 euros for those who employ 1 to 5 employees, 8,000 euros for those who employ 6 to 20 employees, 15,000 euros for those who employ 21 to 50 employees and 30,000 euros for businesses who employ up to 50 employees. This provision applies, also, to beneficiary businesses who were forced to shut down by a State order, regardless a revenue decrease within March or a zero-reference revenue.

The beneficiaries shall submit their application through the electronic platform "*myBusinessSupport*" until 15.05.2020. Such applications shall include the amount of the funding support requested and its relevant framework, as well as any other information deemed necessary. The Independent Authority of Public Revenue ("IAPR") will notify the business of the approval or rejection of its application. The undertaking has the right to submit a request for review of its application through the electronic platform "*myBusinessSupport*" within 5 working days from the above notification. The payment of the amount of repayable advance is made in a lumpsum to bank account of the beneficiary, as defined by its data in TAXISnet.

The amount of the repayable advance will be repaid to the Greek State at a reference interest rate, as it is determined for Greece by the European Commission (C-14/6 dated 19.01.2008) increased by 109 basis points. An interest-free grace period is provided until 31.12.2021, within which the businesses are obliged to repay neither any amount of capital nor of such owed as interest. Following the expiry of this period, each undertaking shall repay the amount of the funding support in 40 equal interest-bearing monthly installments, each of which is payable on the last day of each month. In case of outstanding amounts, the provisions of Code of Public Revenues will apply. Partial refund of repayable advance is, also, provided. Specifically, only 70% of the repayable advance may be repaid in case of businesses with at least 70% reduction of their turnover regarding the financial year following the granting of the funding support, compared to its reference turnover or its reference gross revenue, as defined in the Joint Ministerial Decision.



In case of businesses who employed on 31.03.2020 more than 20 employees, only 60% of the repayable advance may be repaid, provided that they will maintain the average number of their employees, as it was on 31.03.2020 based on data of ERGANI Digital Information System, until 31.03.2021.

Such advances are not taxed and can neither be confiscated nor set off.

The maintenance of the same number of employees from 30.03.2020 until 30.10.2020 constitutes a main prerequisite for the business to be granted the repayable advance, as determined by the date on ERGANI Digital Information System.

The state has the right to request the immediate repayment of the amount of the granted support, including the amount owed as interest, in case of non-compliance of the businesses with the terms of the present Decision.

Each beneficiary undertaking is obliged to keep file with all the supporting documentation regarding the repayable advance for 10 years following its granting.

3. Bank Loans (Announcement by the Ministry of Development and Investment dated 27.04.2020)

Following an announcement by the Ministry of Development and Investment on 27.04.2020 the Hellenic Development Bank has undertaken to cover the total amount owed as interest of business loans of affected businesses. Businesses that have suspended or limited their operation due to the spread of Covid-19 are entitled to be granted loans by the Greek Banks that are to be used only as working capital. The Hellenic Development Bank will cover the 100% of the wed as interest of such loans through its Entepreunership Fund (ΤΕΠΙΧ ΙΙ) only for the first two years of loans' program duration. Applications to the Banks, will start on 28.04.2020, through the State Aid Information System, www.ependyseis.gr. The main prerequisite for receiving this support is for the business to maintain at least the same number of employees for the period of the first two years of the loan program.





The Ministry of Development and Investment has announced on 06.05.2020 that businesses will have the opportunity to submit again their application on 20.05.2020.

More information about the program, as well as the details and the conditions of the application process are available through the website of the Hellenic Development Bank www.etean.gr/PublicPages/HomePage.

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4. Deferral of tax payments for affected businesses (Legislative Decrees 01.05.2020)

A 25% reduction of tax payments, which are due from 11.03.2020 until 30.03.2020, is provided for affected businesses and natural persons in case of timely payment. Such reduction will be made by means of an offsetting of these tax payments with other debts or installments of debts or facilities of partial payments due after 01.06.2020, to Tax Authorities. An earlier or later date than 01.06.2020, as well as the special conditions, criteria and the details of this provision may be determined by a decision of the Ministry of Economy, following a relevant opinion of the Independent Authority of Public Revenue (“IAPR”).

II. MEASURES REGARDING EMPLOYMENT

1. Deferral of Employers' Publication Formalities Obligations (Law 4687/2020, Ministerial Decision 1208/ 07.04.2020, and Joint Ministerial Decision 1566/24.04.2020.)

The obligation of employers to submit in advance certain information to the ERGANI Digital Information System is further suspended until 31.05.2020. More specifically: (a) form E4 schedule of personnel and arrangement of working hours, (b) form E8 for the announcement of legal overwork and legal overtime working and (c) form E12 for the announcement of occupied personnel in building activities. For the duration of this measure the employer must submit these forms to ERGANI Digital Information System up until the 10th day of the following month. Exceptionally, regarding March 2020, these forms must be submitted until 10.05.2020.





2. Extension of “special purpose” paid leave (Law 4687/2020, Ministerial Decision 1208/07.04.2020, Joint Ministerial Decision 1566/24.04.2020.)

The provision of a “special purpose” paid leave for working parents will continue to be in force until 10.05.2020.

3. Extension of the Suspension of Employment Agreements (Legislative Decree dated 01.05.2020)

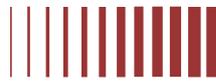
Suspension of employment agreements is automatically extended in businesses whose operations continue to be suspended by virtue of adopted measures.

Businesses whose operation is resumed, as well as other affected businesses that have suspended employment agreements, are now obligated to permanently revoke suspension of part of their workforce. More specifically, businesses having suspended employment agreements are permitted to extend suspension to a maximum of 60% of these agreements for up to 30 more days, until 31.05.2020. In case an employer extends suspension to more than 60% of employment agreements, he remains liable for any obligation (wages etc.) under these employment agreements. Consequently, employers will proceed to permanently revoke at least 40% of the suspended employment agreements, which cannot be suspended again in the future. The permanent revocation of the suspension can occur 15 days after the imposition of the suspension. It has been announced that relevant information can be submitted to ERGANI Digital Information System by the end of May.

Affected businesses and employers which have suspended employment agreements are prohibited from reducing their personnel by terminating employment agreements. They are also required to maintain the same number of jobs after the expiry of the suspension period for another forty-five days.

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Employees, whose employment agreements suspension is extended will be compensated by the State for the days of further suspension, with the exact amount of compensation not yet having been determined. It has been announced by the Minister of Employment and Labour that the special purpose compensation will amount to €534 for May.

In case of exceptional and urgent need for work in a suspended or affected business, suspension of employment agreements can be temporarily revoked by the employer. For this period the employer is liable for any obligation (wages etc.) under these employment agreements. This information needs to be submitted in advance to the ERGANI Digital Information System.

4. Adaptation of Working Schedule (Legislative Decree dated 01.05.2020)

Affected businesses can adapt the working schedule of their employees to adjust to their operating hours. This adaptation cannot alter the type of the employment agreement.

5. Determination of the Minimum Wage (Legislative Decree dated 01.05.2020)

The process for the determination of the minimum wage is postponed and set to be completed on January 2021.

6. Collective Labour Agreements and Arbitration Awards (Legislative Decree dated 01.05.2020)

The effective clauses of the Collective Labour Agreements and Arbitration Awards will continue in force until 30.06.2020.

7. Measures Facilitating Remote Provision of Work and Services (Law 4687/2020, Joint Ministerial Decision 1566/24.04.2020)

Each employer is entitled to unilaterally introduce remote working (working from home). This provision will remain in force until 31.05.2020.





III. DIGITALIZATION OF THE GREEK ADMINISTRATION (Law 4683/2020)

As of 21.03.2020 the Single Digital Gateway initiates its operation, from which legal entities and natural persons can submit applications and receive documents they are interested in, having the function of Centers of Services for Citizens.

Available actions include:

- Issuance of documents;
- Affidavits;
- Authorizations/Proxies;
- Electronic signatures and seals;
- Certificates;

IV. PRIMARY RESIDENCE PROTECTION (Legislative Decree 01.05.2020)

Every natural person who is eligible under the Greek law protecting over-indebted households and primary residences mortgaged for residential and business loans (article 68 par. 1) has the right to apply for a settlement of its debts (pursuant to article 68 par.2 and 3) until 31.07.2020, in order to protect its main residence from forced liquidation. This provision shall be in force by 30.04.2020.

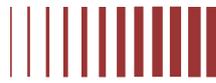
V. JUDICIAL SYSTEM AND CADASTRAL OFFICES

1. Suspension of the Judicial System and exceptions thereof. (Legislative Decree 13.04.2020, Joint Ministerial Decision 1588/25.04.2020 and Law 4684/2020)

Summer holidays for Courts' activities will be limited between the 16th of July until the 31st of August; Courts will resume normal operation on the 1st of September.

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A general suspension of all procedures within the Greek Judicial System has been imposed until 15.05.2020. However, there has been an extension to the list of exceptions as of 27.04.2020, which allows specific judicial operations to be conducted. The list of exceptions from the suspension of operations per jurisdiction is laid down below:

In case of the Council of State and Administrative Courts:

- Cases that are to be heard without actual physical presence.
- Petitions for provisional orders and interim judicial protection and in cases of emergency are heard by the court.
- The processing of urgent Presidential Decrees.
- Urgent meetings continue to take place via teleconferences.
- Judicial decisions and transcripts of processes continue to be published.
- Furthermore, regarding the Administrative Courts, petitions continue to be submitted against decisions of imprisonment of foreigners. Also requests for appeals against judgements given in respect of objections, in accordance with Article 76 (3) – (6) of the Law 3386/2005, which refers to the entrance, residence and social integration of third-country nationals in Greece. KYA 25.04.2020 included also cases that became ready for a hearing, for which all parties have mutually or separately entered an appearance, without an actual physical presence. Lastly, Petitions for provisional orders and interim judicial protection are, also, being heard by the court.

In case of the Court of Auditors:

- Cases that are to be heard, without actual physical presence.
- Pre-contractual review of urgent cases of overriding public interest are carried out; decisions on such checks are published
- Petitions for provisional orders.





- Urgent meetings continue to take place via teleconferences.

All Civil Courts have suspended their operations with the following exceptions:

- Decisions are published.
- Petitions for provisional orders are examined by the judge without a hearing and without summoning the counterparty. Provisional orders granted until the date of hearing of the case are extended by the judge.
- Petitions for interim judicial protection that refer to security payments, eliminations or amendments of pre-notations of mortgage, preventive attachment orders of movable or immovable properties, judicial sequestration orders, sealings, unsealings, inventories, public deposits, and European Account Preservation Orders are being heard.
- It is announced by the Minister of Justice that Civil Courts will resume their full operation on 01.06.2020.

As regards Criminal Law and Military Courts, the following hearings continue to take place:

- Hearings for flagrante delictii (“red-handed” arrests).
- Selection of juries and commencement of hearings in the Jury Courts and Jury Courts of Appeal as well as drawing lots for seats in criminal cases and cases of interim relief.
- The trial of felonies for defendants that are temporarily imprisoned, and the maximum temporary detention time is expiring.
- Trials of felonies, which time limitation period is completed between 18.03.2020 until 31.01.2021. The court decides on the continuance or discontinuance of their adjudication.
- It is announced by the Minister of Justice that Criminal Courts will fully resume their operation on 15.06.2020.

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- Hearings for flagrante delictii (“red-handed” arrests).
- Selection of juries and commencement of hearings in the Jury Courts and Jury Courts of Appeal as well as drawing lots for seats in criminal cases and cases of interim relief.
- The trial of felonies for defendants that are temporarily imprisoned, and the maximum temporary detention time is expiring.
- Trials of felonies, which time limitation period is completed between 18.03.2020 until 31.01.2021. The court decides on the continuance or discontinuance of their adjudication.
- It is announced by the Minister of Justice that Criminal Courts will fully resume their operation on 15.06.2020.

Criminal cases postponed for a date within the suspension period may resume or get a further continuance at the discretion of the court.

The Public Prosecutor’s Office in Athens operates from 04.05.2020 and accepts the submission of criminal complaints, following a specific procedure, as thoroughly described in the Announcement of the Public Prosecutor’s Office of First Instance on 29.04.2020. However, complaints, regarding criminal actions with a time limitation period expired within the following six months can be normally submitted, without a specific procedure. The same applies, also for criminal complaints with a three-month limitation period for their submission.

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2. Resumption of Operation of Land Registries and Cadastral Offices (Joint Ministerial Decision 1587/25.04.2020)

The operation of the Land Registries and Cadastral Offices in Athens has resumed since 28.04.2020 pursuant to the Joint Ministerial Decision 1587/25.04.2020.

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