

PANORAMIC

INITIAL PUBLIC OFFERINGS

Greece



 LEXOLOGY

Initial Public Offerings

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Contents

Initial Public Offerings

MARKET OVERVIEW

- Size of market
- Issuers
- Primary exchanges

REGULATION

- Regulators
- Authorisation for listing
- Prospectus
- Publicity and marketing
- Enforcement

TIMETABLE AND COSTS

- Timetable
- Costs

CORPORATE GOVERNANCE

- Typical requirements
- New issuers
- Anti-takeover devices

FOREIGN ISSUERS

- Special requirements
- Selling foreign issues to domestic investors

TAX

- Tax issues

INVESTOR CLAIMS

- Forums
- Class actions
- Claims, defendants and remedies

UPDATE AND TRENDS

- Key developments

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MARKET OVERVIEW

Size of market

What is the size of the market for initial public offerings (IPOs) in your jurisdiction?

Over the past few years, due to the various challenges that the Greek market faced, few IPOs took place. We do not believe the size of the IPOs during those years is representative for the Greek market.

However, the Greek IPO market is regaining momentum, as the Greek economy credit rating returned to investment and a number of significant secondary equity issues and debt issues have been quite successful. The Hellenic Capital Market Commission (HCMC) also implements a strategic plan focused, among others, on promoting sustainable financing and forward-looking markets, financial literacy, as well as on financial digitisation and innovation. The approval of prospectuses drafted in English is already an established practice in the market based on the discretion that the HCMC has provided since 2021.

In that context, IPOs and significant share capital increases of Greek companies are back on the agenda, and the scope of entities to be listed is no longer limited only to those required by law to list their shares on a regulated market (eg, Greek real estate investment companies), which represented the majority of IPOs in previous years.

Law stated - 27 June 2024

Issuers

Who are the issuers in the IPO market? Do domestic companies tend to list at home or overseas? Do overseas companies list in your market?

IPOs during the past few years have mainly been in respect of Greek real estate investment companies.

Domestic companies tend to list their shares on the home market. However, following the implementation of the EU framework for cross-border mergers and other corporate transformations, the market for dual listings has developed.

Based on precedents, dual listings are more often used by entities of the same group and mostly in cases of a change of registered seat of a Greek entity to another jurisdiction.

Law stated - 27 June 2024

Primary exchanges

What are the primary exchanges for IPOs? How do they differ?

In Greece, there is currently only one regulated market for IPOs, the regulated market of the Athens Exchange (ATHEX).

Law stated - 27 June 2024

REGULATION

Regulators

Which bodies are responsible for rulemaking and enforcing the rules on IPOs?

The Hellenic Capital Market Commission (HCMC) is the national competent authority to review and approve the prospectus that is required to be published in the case of a public offer of transferrable securities in Greece and the listing of such securities on the Athens Exchange (ATHEX), as provided for by [Regulation 1129/2017](#) (the Prospectus Regulation) on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market. The HCMC also supervises the overall IPO process and the compliance of the IPO issuer and other financial intermediaries involved in the IPO process with relevant Greek capital markets law rules.

Furthermore, the Hellenic Exchanges SA, the company operating the ATHEX, is the body responsible for the approval of the listing and admission to trading of the transferable securities offered in an IPO as well as for the enforcement of the obligations imposed on the IPO issuer according to the ATHEX Regulation.

Law stated - 27 June 2024

Authorisation for listing

Must issuers seek authorisation for a listing? What information must issuers provide to the listing authority and how is it assessed?

An issuer (Greek or foreign) that seeks to have its shares listed and admitted to trading on the ATHEX must apply to Hellenic Exchanges – Athens Stock Exchange SA (HELEX) and obtain the relevant approval. The process vis-à-vis HELEX for the listing authorisation is provided for by the ATHEX Regulation and Decision No. 28 of the Board of Directors of HELEX, as amended (the Listing Decision), both of which have been amended in 2024, with a view to facilitating the listing process.

According to the Listing Decision, the issuer must submit to HELEX a number of documents outlining its main operations, and provide a series of representations relating to the good standing of its business. The information to be provided includes, among others:

- the issuer's legal form;
- the expected market cap, after the IPO;
- the issuer's pre-IPO and expected post-IPO free float;
- the issuer's dividend policy;
- brief overview of the industry and growth prospects of the issuer;
- total voting rights held by members of the board of directors and senior management; and
- Internal corporate governance policies, including remuneration policy and policy for managing conflict of interests.

Information submitted to HELEX as part of the IPO application is not published at any stage of the IPO.

The listing authorisation is granted, if the conditions set out in Law 3371/2005, which has transposed Directive 2001/34 on the admission of securities to the official stock exchange listing and on information to be published on those securities (the Listing Law), and in the ATHEX Regulation, are met. The listing conditions are the following:

- the company's legal status must comply with laws and regulations;
- the shares to be listed must be fully paid up and freely negotiable;
- the issuer's own funds must not be lower than €1 million on a consolidated basis (if applicable), or on an individual basis. In addition, the total estimated market capitalisation of the issuer, based on the IPO offer price must not be lower than €40 million, at listing;
- the issuer must have published at least three previous financial years using either International Financial Reporting Standards or (if a foreign issuer) other equivalent financial reporting standards (for example, the US Generally Accepted Accounting Principles). An exemption, though, for newly established companies can be granted by HELEX but in that case, certain other information may be requested to understand the financial status of the entity to be issued;
- with respect to the free float requirement: 25 per cent (or 15 per cent if the issuer's market cap is at least €200 million) of all of the shares of the same category to be listed must be allocated to at least 500 persons (or 300 persons if two market makers are appointed for the duration of one year), holding less than 5 per cent of the shares to be listed, and/or are not members of the board of directors or close relatives of them or other persons connected to them that according to the ATHEX rules is not eligible to count as a free float shareholder;
- the issuer must be compliant with applicable corporate governance requirements, namely, Law 4706/2020 (the Corporate Governance Law), article 44 of Law 4449/2017 on the Audit Committee and HCMC Decision 5/204/2000, as amended.

In the above context, HELEX may also require the issuer to (1) acquire affiliated companies or companies with the same shareholding structure, (2) absorb specific companies or (3) provide additional safeguards if the issuer's activities lack coherence and completeness, posing a risk to investors.

Further to the above, HELEX may request and evaluate additional information for the approval of a listing application, particularly regarding financial status, operational profitability (EBIT), any pending tax liabilities, the industry sector and its performance, as well as corporate governance and management.

In the review process, HELEX has a certain margin of appreciation in assessing listing applications, but the rules and the process are clear and transparent.

According to the ATHEX Regulation, if the issuer is not a Greek entity, then all listing requirements above apply to the foreign mutatis mutandis, potentially subject to certain additional requirements.

Further to the listing process vis-à-vis HELEX, the issuer must also seek the approval of the Prospectus required by the Prospectus Regulation. The HCMC reviews the Prospectus as to the inclusion of the minimum information or content required according to the relevant provisions of the Prospectus Regulation. It can, though, exercise discretion and ask for further information to be included, even if such information is not explicitly included in one of the Annexes of the Prospectus Regulation outlining the minimum prospectus content per type of issuer, offering and securities to be offered. Such requests are made by the HCMC, if the HCMC considers that the additional information is important for potential investors to have to make an informed investment decision.

Law stated - 27 June 2024

Prospectus

What information must be made available to prospective investors and how must it be presented?

The prospectus is the only information document that the IPO issuer is obliged by law to make available to the public as part of the IPO process, together with the statutory announcements that the issuer must publish on the publication and access to the approved prospectus and the initiation, process and completion of the public offer.

The minimum content and form of a prospectus is provided for by the Prospectus Regulation and further specified in the relevant delegated acts. There is no local rule or guidance issued by the HCMC; the HCMC reviews the content of the prospectus based on the Guidelines and Questions and Answers documents as well as other clarificatory statements published from time to time by the European Securities and Markets Authority (ESMA).

An IPO prospectus comprises three parts:

- The summary of the prospectus: it must be drafted in succinct and non-technical language. Its content is strictly provided for by the relevant EU rules and there can be no deviation from the relevant guidance.
- The registration document includes:
 - a description of the business activity of the issuer and the relevant product and geographic market in which the issuer operates;
 - a discussion and analysis of the key items of the issuer's financial statements and key factors affecting the issuer's financial status and operation;
 - other financial information provided by certain key performance indicators used by the issuer, albeit not defined in the IFRS – namely, the financial reporting standards the IPO issuer is using;
 - a concise analysis of the risk factors relevant to the issuer's business activity, economic and regulatory (if any) environment, shareholders' and management structure as well as the type of securities to be listed and the market on which they will be listed;
 - the investment (if applicable) strategy and targets of the issuer;
 -

its shareholding structure (to the extent this is information publicly disclosed under other EU or local law rules);

- the operation of its management, administrative, supervisory and auditing bodies, the corporate governance regime to which the issuer is subject and important information on the natural persons participating in the issuer's managerial, administrative supervisory and auditing bodies;
 - a description of the main terms of the contracts that are material for the business activity, results of operation and in general the financial status of the issuer;
 - certain information on related-party transactions; and
 - any profit forecasts and estimates, if applicable.
- The securities note: it describes the characteristics of the securities to be offered, mainly, rights attached to them, including the tax implications deriving from the acquisition and holding of such securities, the structure and other elements of the offering, including the persons, agreements and costs involved in the offering, as well as whether the offering will be followed by stabilisation acts.

All the information included in the prospectus (taking into account the minimum required content by the Prospectus Regulation) must be complete and accurately presented in a non-misleading manner and without omissions of important information. Pursuant to HCMC Decision 1/892/13.10.2020, in offerings where Greece is considered the home member state, the prospectus may be drafted in either Greek or English. However, the summary of the prospectus must also be drafted in Greek, unless the issued shares are admitted to trading in one or more EU jurisdictions other than Greece.

Law stated - 27 June 2024

Publicity and marketing

What restrictions on publicity and marketing apply during the IPO process?

The relevant EU rules do not explicitly provide for a general black-out period during which the IPO issuer would be prohibited from issuing advertisements. However, pursuant to Law 4706/2020 implementing the Prospectus Regulation, any advertisement related to marketing of the IPO itself can only take place after the approval of the prospectus by HCMC.

Advertisements related to the IPO need to be submitted in advance to HCMC, as they are included in the list of supporting documents for the review and approval of the prospectus, and they must comply, among other things, with the following general principles pursuant to article 22 of the Prospectus Regulation:

- advertisements must be clearly identifiable as such and state where the prospectus is or will be available; and
- any information included in the advertisement must be accurate, non-misleading and consistent with the prospectus published or to be published.

Enforcement

What sanctions can public enforcers impose for breach of IPO rules? On whom?

According to Law 4706/2020, if a public offer is performed without the prior publication of a prospectus, the HCMC may impose administrative sanctions on any person that deliberately markets or otherwise offers to the public transferable securities, including:

- a public statement;
- an order to cease the infringement;
- suspension or revocation of authorisation;
- a temporary or permanent prohibition for natural persons to participate in the management of listed entities; and
- an administrative fine of at least twice the amount of the profits gained or losses avoided because of the infringement, if relevant, which is capped (ie, up to €5 million or 3 per cent of the total annual turnover for legal persons, and up to €1 million for individuals).

The HCMC takes into account numerous factors to impose sanctions, including the gravity and duration of the infringement, the degree of fault, the financial position of the liable person and the impact on the interests of retail investors.

To the extent that the relevant behaviour also constitutes a violation of the market abuse rules, the criminal and administrative sanctions provided for by Law 4443/2016 may also be imposed on the persons liable for the relevant actions.

TIMETABLE AND COSTS

Timetable

Describe the timetable of a typical IPO and stock exchange listing in your jurisdiction.

The vast majority (if not all) of the IPOs of Greek issuers have taken place through a public offer in Greece combined with an international institutional offering in the European markets and based on exemptions referring to offers and sales of securities outside the United States.

The timetable of an IPO, therefore, depends on the structure of the offering (mainly whether it will be structured as a purely Greek retail offer or a combined offering), whether it is a primary or secondary offering and other commercial considerations, and the readiness of the entity to be listed to comply with the listing requirements imposed by the Athens Exchange (ATHEX) Regulation and other capital markets law rules.

A typical, as above, IPO timetable would include:

- A preparation phase of around two months in which the issuer and its advisers would proceed with an internal restructuring in order for the IPO issuer to comply with the new corporate governance standards, including financial reporting and draft the requisite documentation (ie, the corporate profile and the prospectus).
- Submission of the necessary documents to Hellenic Exchanges – Athens Stock Exchange SA (HELEX). The Listing Decision reflects a rules-based approach, designed to enhance visibility and predictability. The review process of the corporate profile is run by HELEX, which is very responsive and cooperates with issuers to expedite the listing process.
- Submission of the prospectus to the Hellenic Capital Market Commission (HCMC). According to Regulation 1129/2017 (the Prospectus Regulation), the HCMC must approve the prospectus within a defined period of time. However, it is not possible to pre-determine the expiration of the relevant deadline, because in most cases the HCMC has commented on the draft of the prospectus submitted to the HCMC. In such a case, further time is required by the issuer and the HCMC to prepare and review, respectively, the revised draft that addresses the HCMC comments. The usual time frame for the approval of a well-prepared prospectus is around two months.
- For the HCMC to approve the prospectus, HELEX must have confirmed fulfilment of the listing criteria as provided for by:
 - Law 3371/2005, which transposed [Directive 2001/34](#) on the admission of securities to the official stock exchange listing and on information to be published on those securities; and
 - the ATHEX Regulation, except for the free float requirement.
- Once the prospectus is approved by the HCMC, the IPO issuer must proceed with its publication and the publication of other statutory announcements.
- From there on, the timetable depends on whether the subscription price for the shares to be offered or a subscription price range is mentioned or not in the approved prospectus. Pursuant to article 21(1) paragraph 2 of the Prospectus Regulation, the prospectus must be made available to the public at the latest six business days before the end of the public offer. Based on the current Greek market practice, the duration of a public offer is three business days.
- Within two business days of the completion of the public offer, the underwriters must announce the final allocation of the shares offered, the amount of money raised and certain other information on the offer.
- Provided the free float requirement is met, ATHEX approves the listing of the shares and subsequently (after further documentation is provided) also decides the commencement of trading. Provided there are no other pending items or extraordinary circumstances, the commencement of trading of the shares offered can take place on the second or third business day after the payment of the total offer price. The anticipated timeline should be also discussed and confirmed ad hoc with HCMC and HELEX.

Law stated - 27 June 2024

Costs

What are the usual costs and fees for conducting an IPO?

The cost of the IPO is borne by the issuer and deducted from the IPO's proceeds. The costs of an IPO may vary and include:

- the financial, accounting and legal due diligence costs;
- the underwriters' commission fee;
- ATHEX's fees regarding the listing process;
- the HCMC fees for review and approval of the prospectus and granting permission to perform the public offer in Greece; and
- costs related to the IPO marketing, including the publication of the prospectus, publication of statutory announcements and other press releases and marketing material, hosting events for investors' and analysts' meetings, and other marketing venues.

Law stated - 27 June 2024

CORPORATE GOVERNANCE

Typical requirements

What corporate governance requirements are typical or required of issuers conducting an IPO and obtaining a stock exchange listing in your jurisdiction?

One of the listing requirements imposed by the Athens Exchange (ATHEX) Regulation is for the issuer to comply with the corporate governance regime applicable to issuers to be listed on the ATHEX Regulated Market.

In particular, Law 4706/2020 (the Corporate Governance Law) imposes three main sets of obligations to the issuer:

- With respect to the composition of the issuer's board of directors, it shall be made up of executive, non-executive and independent non-executive members, with the status of each member being defined by the board itself apart from the independent non-executive members who are elected as such by the general meeting. At least a third, and, in any case, no less than two, of the IPO issuer's members must be independent non-executive members – namely they must fulfil the independence criteria set out in the Corporate Governance Law, currently pertaining mainly to a minimum shareholding interest that an independent non-executive member is permitted to hold in the issuer and the absence of material business relationships with the IPO issuer or other type of close connections with the latter or its management (eg, being the spouse or child of one of the members of the board of directors). Prior to their appointment, all members of the board must fulfil the eligibility criteria provided in the relevant suitability policy, regarding their skills and reputation.
- With respect to the internal organisation of the IPO issuer, the latter is obliged to adopt and implement an internal regulation of operation, the minimum content of

which is provided for by the Corporate Governance Law. Additionally, the Corporate Governance Law provides for the establishment of a remuneration committee, mainly responsible for the submission of proposals to the Board on the remuneration policy of board members and executive directors, as well as a nominations committee, which provides recommendations to the board for eligible board member candidates. The issuer must also adopt a Corporate Governance Code established by an esteemed body in the field of corporate governance.

- The IPO issuer is also obliged to establish and operate an independent internal audit service and appoint an internal auditor or head of the internal audit service who will be fully and exclusively employed as such by the issuer. The internal audit service must be assigned with specific duties, including the issuance of quarterly reports to be submitted to the board of directors of the issuer. The internal auditor must have full access to all books and information of the issuer.

Furthermore, in accordance with Law 4449/2017, the issuer must have an audit committee made up, in its majority, of members – including its chair – who are independent of the IPO issuer. The audit committee is responsible, inter alia, for putting forward the proposal for the appointment of the statutory auditor and for monitoring the audit plan, and it must cooperate with and supervise the external and internal audit processes. The audit committee is also granted unlimited and full access to all books and information of the issuer.

The issuer is also obliged, pursuant to the Corporate Governance Law, to have both an investor or shareholders relations department and a corporate announcements department.

Law stated - 27 June 2024

New issuers

Are there special allowances for certain types of new issuers?

There are no local law allowances or other exceptions apart from the relevant special EU rules on small and medium-sized enterprises and certain growth companies that may be subject to a simplified regime as regards the content of the prospectus to be published in the case of capital raising through a public offer. In accordance with the [Commission Delegated Regulation \(EU\) 2019/980](#), the process for the publication of an EU growth prospectus is more time and cost efficient, as its content is reduced, less technical and more standardised.

However, since the requirements for such allowances refer to securities that will not be admitted to trading on a regulated market, the use of such allowance in the case of an IPO is precluded, unless it is used by the relevant issuer to raise capital and have its shares admitted on the Greek multilateral trading facility, the Alternative Market, at a first stage, with a view to being listed on the regulated market of the ATHEX at a later stage.

Law stated - 27 June 2024

Anti-takeover devices

What types of anti-takeover devices are typically implemented by IPO issuers in your jurisdiction? Are there generally applicable rules relevant to takeovers that are relevant?

It is not usual for anti-takeover devices to be used in the context of an IPO in Greece.

Law stated - 27 June 2024

FOREIGN ISSUERS

Special requirements

What are the main considerations for foreign issuers looking to list in your jurisdiction? Are there special requirements for foreign issuer IPOs?

The performance of a public offer in Greece or the listing of securities on the Athens Exchange (ATHEX) triggers the approval requirements discussed in this chapter irrespective of whether the issuer of the securities or the person offering the relevant securities are Greek entities or not.

If the IPO issuer is an entity from an EU member state, then the relevant prospectus will be reviewed and approved by the competent authority of the member state in which the IPO issuer maintains its registered seat. After its approval, the prospectus will be passported in Greece for the performance of the public offer and the listing on the ATHEX. If the IPO issuer is a third-country entity, then the Hellenic Capital Market Commission (HCMC) remains the competent authority for the review and approval of the prospectus.

There are no special requirements applying with respect to foreign IPO issuers and the ATHEX listing requirements apply mutatis mutandis to foreign issuers. That said, ATHEX has the power to deny non-EU issuers the admission to trading, if the issuer has failed to list its shares in its country of origin or could not list them owing to reasons related to the protection of investors.

A foreign issuer considering listing its shares on the ATHEX should take into account the following:

- the shares to be listed must be eligible (both pursuant to the respective governing law of the securities and the relevant constitutional documents of the issuer) to be held in book-entry form in an electronic registry outside the jurisdiction of the issuer either pursuant to their dematerialisation or immobilisation;
- the issuer will need to comply with local corporate governance requirements;
- there may be increased administrative costs to ensure compliant dissemination of regulated information to investors in Greece; and
- the compliance risks and costs will be increased, although due to the capital markets law harmonisation among the EU member states, this may not be an issue for a European IPO issuer that is not Greek.

Law stated - 27 June 2024

Selling foreign issues to domestic investors

Where a foreign issuer is conducting an IPO outside your jurisdiction but not conducting a public offering within your jurisdiction, are there exemptions available to permit sales to investors within your jurisdiction?

Such an offer of shares to investors in Greece could be possible without triggering the offering restrictions discussed in this chapter, where any of the relevant exemptions provided for by Regulation 1129/2017 are available – namely, when:

- the offer is addressed exclusively to qualified investors in Greece;
- the offer is addressed to fewer than 150 persons other than qualified investors;
- to the extent that such exemption could be applicable on shares, the denomination of the offer per unit amounts to at least €100,000; and
- the offer is addressed to investors who pay a consideration of at least €100,000 per investor.

Furthermore, to the extent that intermediaries, further to the issuer, are involved in the sale of the securities in Greece (eg, placement agents) any licensing requirements possibly triggered for them from the provision of investment services should be also reviewed under the rules of [Directive 2014/65](#) (better known as MiFID II), which has been transposed into Greek law almost verbatim by Law 4514/2018.

Law stated - 27 June 2024

TAX

Tax issues

Are there any unique tax issues that are relevant to IPOs in your jurisdiction?

Regulation 1129/2017 requires that the prospectus outline the tax implications for the holders of the shares to be offered in the context of an IPO but does not per se impose any tax obligations on the IPO issuer or the holders of the securities to be offered. Hence, the issuer's taxation continues to depend on the tax laws to which it is subject based on the business activity it pursues, the jurisdictions in which the relevant issuer operates (or is considered to operate) and generates income, and the transactions to which the issuer enters.

The only tax-related consideration that the IPO process itself could raise for an IPO issuer is the listing requirement provided for by the Athens Exchange (ATHEX) Regulation. More specifically, foreign issuers seeking listing on the ATHEX have to submit a tax audit report by an internationally renowned audit firm; in the case of consolidation, the tax audit report must refer to all companies included in the issuer's group.

Law stated - 27 June 2024

INVESTOR CLAIMS

Forums

In which forums can IPO investors seek redress? Is non-judicial resolution of complaints a possibility?

In the case of a Greek IPO issuer, IPO investors can bring their IPO-related claims before the competent courts – namely, the courts of the jurisdiction in which the IPO issuer has its registered seat or, in the case of an individual, his or her habitual residence, in accordance with generally applicable Greek civil procedural law rules.

Neither the generally applicable Greek civil procedural law rules nor the special capital markets law rules provide for an explicit exclusion of IPO-related claims from an arbitral resolution. However, there is no precedent of a prospectus or other IPO-related documentation issued by a Greek issuer that includes the possibility of a non-judicial resolution of complaints. That alternative has never been used in practice and, therefore, there is no case law on this matter.

Law stated - 27 June 2024

Class actions

Are class actions possible in IPO-related claims?

Currently no class action is possible in IPO-related claims. However, generally applicable Greek civil procedural law rules allow multiple investors to bring a joint action for claims with the same or substantially similar causes of action, arising from the same or a similar set of facts (joinder of plaintiffs). Unlike a class action, there will be no representative acting in the name and on behalf of all other claimants.

Law stated - 27 June 2024

Claims, defendants and remedies

What are the causes of action? Whom can investors sue? And what remedies may investors seek?

Law 4706/2020 imposes a statutory liability regime for deficiencies in the accuracy and completeness of the prospectus on the persons responsible for the content of the prospectus – namely, the issuer, the members of the issuer's board of directors, as well as the financial advisers named as underwriters or in the prospectus.

These persons can also be sued on tort claims, in connection with infringements of Regulation 1129/2017 or other capital market law rules, such as [Regulation 596/2014](#).

Furthermore, investors could potentially bring contract claims against the IPO issuer under the generally applicable private contract law rules on sale. All of those possible legal actions can only consist of a compensation claim to redress the losses suffered by the claimant.

Law stated - 27 June 2024

UPDATE AND TRENDS

Key developments

Are there any other current developments or emerging trends that should be noted?

Greece, which is among the supporters of the EU Capital Markets Union plan, has presented a six-point action plan, supported by the EU and the European Bank for Reconstruction and Development, in order to increase the competitiveness and growth of the Greek capital market, by:

- creating a more favourable environment for issuers;
- promoting ESG and fintech;
- enhancing the taxation framework;
- encouraging investor demand;
- improving the robustness of supervision; and
- promoting financial awareness.

This plan is currently being implemented.

In addition, ATHEX has taken measures to increase the attractiveness of the Greek market for IPOs in the long run. More specifically, ATHEX has:

- revised its rulebook, in order to promote transparency and predictability during the listing process; and
- updated in 2024 its ESG Reporting Guide, to facilitate and promote ESG compliance of currently listed companies.

The EU Listing Act is expected to complement the above national initiatives allowing for further simplification of the IPO process, but also by allowing for easier access to capital markets to already listed issuers. In tandem with the EU Listing act, the HCMC has declared, in its Action Plan, that it intends to standardise the prospectus format, with a view to streamlining the review process and potentially reducing costs for issuers.

Law stated - 27 June 2024