

DEBT CAPITAL MARKETS

Greece



Debt Capital Markets

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Quick reference guide enabling side-by-side comparison of local insights, including an overview of the market climate and regulatory framework; documentation and filing requirements; cross-border issues; underwriting; management of outstanding debt securities; reporting; liability regime; investor remedies; enforcement; and recent trends.

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Table of contents

MARKET SNAPSHOT

Market climate

Regulatory framework

FILING AND DOCUMENTARY REQUIREMENTS

General filing requirements

Prospectus requirements

Documentation

Authorisation

Offering process

Closing documents

Listing fees

KEY CONSIDERATIONS

Special debt instruments

Classification

Transfer of private debt securities

Cross-border issues

Underwriting

Transaction execution

Holding forms

Outstanding debt securities

REGULATION AND LIABILITY

Reporting obligations

Liability regime

Remedies

Enforcement

Tax liability

UPDATE AND TRENDS

Key developments of the past year

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MARKET SNAPSHOT

Market climate

What types of debt securities offerings are typical, and how active is the market?

The most typical debt security offering in the Greek market is the issuance of common corporate bonds by Greek companies, which are offered to the public or admitted to trading, or both, in the category of fixed income securities of the regulated securities market of the Athens Exchange (ATHEX).

In recent years, large Greek corporates have been active in the relevant market, usually by issuing bonds in the range of several hundred million euros for various purposes depending on their financing needs and industry. Such offerings are in most cases subscribed to by both professional and retail investors through an electronic book-building process regulated by ATHEX pursuant to the rules set out in ATHEX Decision No. 34 and run by the joint coordinators and bookrunners of the offering (usually Greek banks). These bonds are usually unsecured, but a parent corporate guarantee has been provided in several cases.

Law stated - 15 December 2022

Regulatory framework

Describe the general regime for debt securities offerings.

All issuances of bond loans are governed by Law No. 4548/2018 on sociétés anonymes and article 14 of Law No. 3156/2003.

The public offering of bonds and their admission to trading on the ATHEX are governed by:

1. Regulation (EU) No. 2017/1129 (Prospectus Regulation);
2. Commission Delegated Regulation (EU) No. 2019/979 (RTS Regulation) and Commission Delegated Regulation (EU) No. 2019/980 (the 2019 Delegated Regulation); and
3. Law No. 4706/2020 (Prospectus Law), introduces implementation measures for the Prospectus Regulation ((1) and (3) jointly, the Prospectus Legislation).

Issuers of listed bonds must also comply with Law No. 3016/2002 on corporate governance (to be replaced on 17 July 2021 by the new framework of the Prospectus Law) and market abuse legislation, including Regulation (EU) No. 596/2014 (Market Abuse Regulation).

The admission of debt securities on ATHEX is regulated by Law No. 3371/2005, transposing Directive 2001/34/EC (Listing Directive). The technical requirements of admission and the process of payments to the bondholders are governed by the ATHEX Rulebook , the Operating Rules of the Dematerialised Securities System and the Regulation of Clearing of Transferable Securities Transactions in Book Entry Form .

Finally, issuers of listed securities must comply with the periodic and ongoing information obligations of Law No. 3556/2007 (transposing Directive 2004/109/EC (Transparency Directive) and with the relevant ATHEX rules.

The competent authority for the supervision of the Greek capital market and enforcement of the Prospectus Legislation is the Hellenic Capital Markets Commission .

The Greek markets for debt securities are the ATHEX Regulated Securities Market and the ATHEX Alternative Market.

Key industry groups are:

- the Association of ATHEX Members;
- the Hellenic Bank Association;
- the Hellenic Fund and Asset Management Association; and
- the Union of Listed Companies.

Law stated - 15 December 2022

FILING AND DOCUMENTARY REQUIREMENTS

General filing requirements

Give details of any filing requirements for public offerings of debt securities. Outline any requirements for debt securities that are not applicable to offerings of other securities.

The process and requirements for the approval of a prospectus by the Hellenic Capital Markets Commission (HCMC) for a public offering or admission to trading, or both, of debt securities on a regulated market in Greece is set out in detail in HCMC Decision No. 2/892 of 13 October 2020, issued on the basis of the Prospectus Law.

The application for HCMC approval must be accompanied by, among other things, the issuer's confirmation that it complies with corporate governance legislation and a conflict-of-interest statement by the persons involved in the offering process. Supporting material must include the necessary corporate resolutions and financial statements of the issuer.

Following approval by the HCMC and publication of the prospectus (when required), a separate process begins and special requirements must be met for the admission to trading on ATHEX as provided by Law No. 3371/2005, transposing Directive 2001/34/EC (Listing Directive), and the ATHEX Rulebook.

Although the filing requirements for debt securities are materially the same as for other securities, different requirements apply to the prospectuses of entities whose shares are already listed on a regulated market.

Law stated - 15 December 2022

Prospectus requirements

In a public offering of debt securities, must the issuer produce a prospectus or similar documentation? What information must it contain?

In accordance with the Prospectus Law and the Prospectus Regulation (jointly, the Prospectus Legislation), the obligation to publish a prospectus applies only to public offers with a total consideration in the European Union of at least €5 million, calculated over a period of 12 months. However, certain exemptions may apply, even when the threshold of €5 million is exceeded.

A prospectus must contain all the information that is material to an investor for making an informed assessment of:

- the issuer's (and any guarantor's) assets and liabilities, profits and losses, financial position, and prospects;
- the rights attaching to the securities; and
- the reasons for the issuance and its impact on the issuer.

The required information must be presented in a summary, a registration document (including information on the issuer) and a securities note (including information on the securities). These comprise the main parts of the prospectus.

The exact content of the prospectus for debt securities is set out in detail (depending on whether there is an initial or secondary issuance) in Annexes 6 and 8 (for the registration document) and Annexes 14 and 16 (for the securities note) of Commission Delegated Regulation (EU) No. 2019/980 (the 2019 Delegated Regulation).

Law stated - 15 December 2022

Documentation

Describe the drafting process for the offering document.

The key issues in the preparation of a prospectus depend on the issuer's business. In most cases, the drafting of risk factors is essential, as are the terms and conditions of the bonds contained in the programme of the bond loan in accordance with Law No. 4548/2018 on sociétés anonymes, which includes the purpose of the bond loan, obligations and events of default. Reports of legal and financial due diligence and financial information in connection to the issuer are also key elements to consider.

The key criterion used to determine if a disclosure must be made in the prospectus is whether there is an initial or secondary issuance of debt securities. In cases of initial issuance, more information needs to be provided in accordance with Annexes 6 and 14 of the 2019 Delegated Regulation. In secondary issuances, a simplified disclosure regime should be followed, in accordance with Annexes 8 and 16 of the 2019 Delegated Regulation. Further, certain materiality thresholds are usually agreed upon between the issuer, its advisers and the joint coordinators regarding the disclosure of information, such as in relation to material agreements or pending litigation.

In private offerings of debt securities, there is no requirement for prospectus publication.

Law stated - 15 December 2022

Which key documents govern the terms and conditions of the debt securities? Who are the parties to such documents? How can such documents be accessed?

The key documents governing the terms and conditions of debt securities and forming part of the prospectus are the programme of the bond loan and the securities note, which includes information related to the terms and conditions of the securities and the offer.

The programme is an agreement concluded between the issuer and the bondholder agent appointed by the issuer to act on behalf of the bondholders and serve the bondholders' interests.

In most cases, an agreement for the appointment of the bondholder agent and an agreement for the appointment of the paying agent are also concluded between the bondholder agent and paying agent respectively, along with the issuer. Finally, each potential investor executes a subscription application to participate in the public offering, which is a simple form document for the purchase of the debt securities.

After the prospectus, including the securities note and the programme, is approved, it is published and accessible on the websites of ATHEX, the HCMC, the issuer, the joint coordinators and bookrunners, and the underwriters.

Law stated - 15 December 2022

Does offering documentation require approval before publication? In what forms should it be available?

The prospectus, submitted along with supporting material to the HCMC, is published following approval by the HCMC

and is available on the websites of ATHEX, the HCMC, the issuer, the joint coordinators and bookrunners, and the underwriters. A hard copy of the prospectus is also available at the offices of the issuer, the joint coordinators and bookrunners, and the underwriters.

Law stated - 15 December 2022

Authorisation

Are public offerings of debt securities subject to review and authorisation? What is the time frame for approval? What are the restrictions imposed, if any, on the issuer and the underwriters during the review process?

Public offerings of debt securities are subject to HCMC prospectus approval in accordance with the Prospectus Legislation, with some exceptions.

The process governed by HCMC Decision No. 2/892 of 13 October 2020, involves the submission to the HCMC of at least two drafts of the prospectus with detailed comments by the HCMC expected on each draft in the interim. After the HCMC's response on the first draft, the issuer must submit a second draft within 30 business days.

The prospectus must be approved within 10 business days of submission, which may be extended to 20 business days for a public offer by a first-time issuer. The HCMC may request promptly (and within the above time frame) supplementary information or changes to the prospectus to ensure completeness, comprehensibility and consistency. In that case, the above time limits apply only from the date of submission of the revised draft prospectus or supplementary information. Any failure by the HCMC to make a decision on the prospectus within the aforementioned time frames is not deemed to constitute approval of the prospectus.

During the review process and until the approval of the prospectus, the issuer and the underwriters must not engage in advertisements in the sense of article 2(k) of the Prospectus Regulation.

Law stated - 15 December 2022

On what grounds may the regulators refuse to approve a public offering of securities?

The HCMC examines whether the draft prospectus complies with the Prospectus Legislation and may refuse to approve a prospectus and terminate the review process where the issuer, the offeror or the person asking for admission to trading on a regulated market:

- is unable or unwilling to make the necessary changes or to provide the supplementary information it requested;
- is unable to fulfil its obligations under the Prospectus Legislation; or
- has repeatedly committed serious infringements of the Prospectus Legislation.

Moreover, the prospectus approval may be refused if the issuer's auditors or managers do not provide any additional information requested by the HCMC.

The HCMC may also suspend the review of an application if product intervention measures are taken in accordance with article 42 of Regulation (EU) No. 2014/600.

Law stated - 15 December 2022

How do the rules differ for public and private offerings of debt securities? What types of exemptions from registration are available?

In the absence of explicit rules, a private offering is defined in contradistinction to a public offering in the sense of article 2(d) of the Prospectus Regulation. More specifically, a private offering is understood as an offering that falls outside the scope of the prospectus requirements under article 1(4) of the Prospectus Regulation.

The most common safe harbours from prospectus requirements include the offering of debt securities in Greece that are:

- addressed solely to qualified investors;
- addressed to fewer than 150 natural or legal persons per EU member state, other than qualified investors;
- issued with a minimum denomination per unit of €100,000;
- issued by an EU member state or by one of an EU member state's regional or local authorities, by public international bodies of which one or more EU member states are members, by the European Central Bank or the central banks of EU member states;
- unconditionally and irrevocably guaranteed by an EU member state or by one of an EU member state's regional or local authorities;
- issued by associations with legal status or non-profit-making bodies, recognised by an EU member state, for the purposes of obtaining the funding necessary to achieve their non-profit-making objectives; and
- issued in a continuous or repeated manner by a credit institution, where the total aggregated consideration in the European Union for the securities offered is less than €75 million per credit institution calculated over a period of 12 months, provided that those securities are not subordinated, convertible or exchangeable and do not give a right to subscribe for or acquire other types of securities, and are not linked to a derivative instrument.

Law stated - 15 December 2022

Offering process

Describe the public offering process for debt securities. How does the private offering process differ?

The key parties to a public offering of debt securities are:

- the issuer;
- the issuer's auditors, and financial and legal advisers;
- the joint coordinators and bookrunners, and underwriters;
- the financial and legal advisers of the latter;
- the HCMC; and
- ATHEX.

A deal typically starts with the appointment of advisers, joint coordinators and bookrunners, and underwriters by the issuer and the transaction structuring by the issuer and its financial and legal advisers. Most deals include financial and legal due diligence by the issuer's adviser or the joint coordinators and bookrunners' adviser. Following the finalisation of the structure, the key parties start drafting the transaction documents (terms and conditions of the debt instrument, advisers', joint coordinators and bookrunners' and underwriters' agreement, and the agency agreement) and the prospectus.

Following submission of the prospectus to the HCMC, a public offering process for debt securities has an average duration of six to eight weeks. Marketing activities may take place only following approval and publication of the prospectus and are subject to scrutiny by the HCMC. Typical marketing activities include an issuer's roadshow or an investor information package, which comprises the investor presentation and approved prospectus.

The following table provides a typical timeline, including marketing activities and transaction documents, from the conclusion of the issuer's preparations and the start of legal and financial due diligence (which usually takes four to 12 weeks).

Public offering process	Timeline
Prospectus filing to HCMC	Week 1
Application to ATHEX	Week 2
Preparation of advertisements	Weeks 2-3
HCMC comments on the prospectus	Week 4
Finalisation of the syndicate and signing of the underwriting agreement	Week 5
Finalisation of the debt instrument's terms and conditions; legal opinion of issuer's, joint coordinators and bookrunners', and underwriters' counsel; due diligence report; auditor's comfort letter; and appointment of bondholders' agent	Week 5
Issuer's board of directors approval of the debt instrument's terms and conditions	Week 5
Filing of the revised prospectus to HCMC	Week 5
Submission of advertising material to HCMC	Week 5
ATHEX approval for listing of bonds subject to HCMC's Prospectus Approval	Weeks 5-6
HCMC approval of prospectus and prospectus publication	Weeks 5-6
Determination of target market	Week 6
Start of the advertising period	Week 6
Beginning of public subscription period for investors	Week 7
Conclusion of public subscription and end of the advertising period	Week 7
Pricing	Week 7
Pre-settlement bring-down due diligence communication in the form of a letter or a call	Week 8
Delivery of all closing documentation	Week 8
Settlement of the public offer	Week 8
Commencement of bond trading and ATHEX inaugural ceremony	Week 8

A private offering of debt securities involves the following persons:

- the issuer;
- the issuer's auditors, and financial and legal advisers;
- the underwriters;

- the financial and legal advisers of the underwriters; and
- ATHEX, if the issuer opts for the listing of the debt securities that have been offered by means of a private placement.

The private offering process is shorter than the public offering process (usually two to four weeks), given that it is not subject to the prospectus requirements or any scrutiny and approval of the offering document by the HCMC.

Law stated - 15 December 2022

Closing documents

What are the usual closing documents that the underwriters or the initial purchasers require in public and private offerings of debt securities from the issuer or third parties?

The underwriters require the following in both public and private offerings:

- a legal opinion of the joint coordinators and bookrunners', and underwriters' counsel on the legality, validity, binding effect and enforceability of the transaction documents;
- a legal opinion of the issuer's and guarantor's counsel, if any, on its legal status and capacity to enter into the transaction documents;
- articles of association and relevant good standing court or corporate registry certificates for the issuer and guarantor;
- corporate authorisation of the issuer (and of the guarantor);
- a comfort letter by the issuer's auditor; and
- a bring-down communication in the form of a letter or a call (if legal due diligence is conducted).

Law stated - 15 December 2022

Listing fees

What are the typical fees for listing debt securities on the principal exchanges?

The following fees apply to any bond listing on the ATHEX Regulated Securities Market and any bond admission to the ATHEX Alternative Market:

- a fixed listing fee or admission fee of €3,000;
- a fee for the registration of bonds in the Dematerialised Securities System (DSS) of 0.025 per cent on the value of the issue (minimum €3,000 and maximum €10,000); and
- a €1,000 annual maintenance fee of bonds in the DSS.

Law stated - 15 December 2022

KEY CONSIDERATIONS

Special debt instruments

How active is the market for special debt instruments, such as equity-linked notes, exchangeable or convertible debt, or other derivative products?

Convertible and exchangeable bonds are mainly distributed by means of a private placement, whereas currently only one convertible bond is listed on the Athens Exchange (ATHEX).

Products traded on the ATHEX derivatives market are stock and index futures, stock and index options, and repos and stock reverse repos contracts and standardised repurchase agreements on shares as underlying values of derivatives products, shares participating in an index as underlying value of derivatives products, exchange-traded funds (ETFs) and shares participating in ETFs. In 2020, the traded value on FTSE/ATHEX large cap stock index futures totalled €1.45 million and on FTSE/ATHEX large cap stock index options €127.06 million.

Law stated - 15 December 2022

What rules apply to the offering of such special debt securities? Are there any accounting implications that the issuer should be aware of?

The offer of special debt instruments is not subject to any specific regime. However, convertible and exchangeable bonds may be listed only if the securities into which they are convertible or exchangeable are already, or will concurrently be, admitted to trading on a regulated market or a multilateral trading facility as defined by Directive 2014/65/EU (Markets in Financial Instruments (MiFID II)).

Law stated - 15 December 2022

Classification

What determines whether securities are classed as debt or equity? What are the implications for instruments categorised as equity and not debt?

According to the Prospectus Regulation, equity securities are defined as shares (and other transferable securities equivalent to shares) and any other type of transferable securities giving the right to acquire any of the aforementioned securities as a consequence of their conversion or the rights conferred by them being exercised, provided that securities of the latter type are issued by the issuer of the underlying shares or by an entity belonging to the group of that issuer. Debt securities fall under the definition of non-equity securities, which are defined as all securities that are not equity securities.

In accordance with the relevant Annexes of Commission Delegated Regulation (EU) No. 2019/980 (the 2019 Delegated Regulation), the content of the prospectus differs for an offering or admission to trading, or both, of equity securities compared to debt securities. More information should be provided in the former case in respect of, among other things:

- the business overview;
- the issuer's administrative and management bodies;
- board practices and major shareholders of the issuer; and
- the essential information in the securities note.

In the case of debt securities, more information should be provided about the issuer in respect of its borrowing or financing. No programme setting out terms and conditions exists for equity securities offerings.

Law stated - 15 December 2022

Transfer of private debt securities

Are there any transfer restrictions or other limitations imposed on privately offered debt securities? What are the typical contractual arrangements or regulatory safe harbours that allow the investors to transfer privately offered debt securities?

No general transfer restrictions or other limitations are imposed by law on privately offered debt securities, subject to those set out in the terms and conditions of registered, convertible or exchangeable bonds, and any transfer restrictions for bonds issued by special purpose vehicles in the context of securitisation under the Greek Securitisation Law and the EU Securitisation Regulation offered to retail clients as defined by MiFID II.

Law stated - 15 December 2022

Cross-border issues

Are there special rules applicable to the offering of debt securities by foreign issuers in your jurisdiction? Are there special rules for domestic issuers offering debt securities only outside your jurisdiction?

No special rules apply to the offering of securities by foreign issuers in Greece. The offering of debt securities by domestic issuers outside Greece does not fall within the scope of the relevant Greek laws.

Law stated - 15 December 2022

Are there any arrangements with other jurisdictions to help foreign issuers access debt capital markets in your jurisdiction?

Foreign issuers may offer debt securities in Greece on the basis of a prospectus approved in an EU state without the need to obtain approval from the Hellenic Capital Markets Commission under the EU passporting regime of the Prospectus Regulation.

Law stated - 15 December 2022

Underwriting

What is the typical underwriting arrangement for public offerings of debt securities? How do the arrangements for private offerings of debt securities differ?

The most common underwriting agreement provides for placement without a firm commitment or on a best-efforts basis (ie, the underwriters do their best to sell as many of the debt securities as possible, but are not obliged to purchase them for their own account to cover any shortfall). More specifically, the standard market underwriting arrangement, known as the mini-maxi agreement, is a subcategory of best-efforts underwriting that becomes effective if a minimum amount of debt securities are sold. If the minimum amount is not reached, the issue and the offering are cancelled and any proceeds collected from investors are returned to them.

Private offerings of debt securities rely mostly on best-efforts underwriting. A firm-commitment underwriting may be chosen in issues where the risk of partial placement is low.

Law stated - 15 December 2022

How are underwriters regulated? Is approval required with respect to underwriting arrangements?

The underwriters must be credit institutions or investment firms authorised to engage in the underwriting of financial instruments or placing of financial instruments on a firm or not-firm commitment basis, or both, under Law No. 4514/2018, transposing MiFID II.

Underwriting arrangements are not subject to regulatory approval.

Law stated - 15 December 2022

Transaction execution

What are the key transaction execution issues in a public debt offering? How is the transaction settled?

The transaction execution in most public debt offerings takes place in accordance with the Electronic Book Building process (EBB) set out in ATHEX Resolution No. 34. Participants in the EBB are the issuer or joint coordinators and bookrunners, and the market member of the ATHEX Regulated Securities Market or the ATHEX Alternative Market (mostly credit institutions or investment firms), which apply as EBB members for each public offering. The EBB consists of three phases:

- an electronic collection of bids (phase one);
- a determination of the issue price, interest rate, yield and allocation (phase two); and
- the finalisation and execution of the allocation (phase three).

After completion of phase two (day 'T' for the purposes of settlement in the Dematerialised Securities System (DSS)), ATHEX provides the Athens Exchange Central Securities Depository (ATHEXCSD) with the details of the allocation and registration for execution. The settlement of the transaction takes place on the second day following the completion of phase two (T+2) through the DSS operated by the ATHEXCSD by 'Delivery versus Payment'. Each ATHEXCSD operator must deposit, into the cash settlement account, the amounts corresponding to the bids it is handling and notify the DSS of the securities accounts of investors it is handling no later than the settlement date. On the settlement date, and after receiving the beneficiary allocation file, ATHEXCSD registers the transferable securities in the accounts declared for beneficiaries either directly or through intermediaries, and effects the payment of the raised funds to the issuer or joint coordinators and bookrunners, as applicable, through TARGET2-GR in accordance with the procedures of ATHEXCSD. Trading of the securities commences on ATHEX on the first business day following settlement.

Law stated - 15 December 2022

Holding forms

How are public debt securities typically held and traded after an offering?

Bonds can be issued in bearer or registered form, as provided by the bond programme, with the exception of convertible and exchangeable bonds, which must be issued in registered form if the securities into which they are exchangeable are in registered form.

Subject to the above, bonds that are listed on the ATHEX Regulated Securities Market or the ATHEX Alternative Market are typically issued in bearer form, have to be dematerialised (book-entry form) and are kept in the electronic records of

ATHEXCSD. Although both dematerialisation and immobilisation of debt securities is possible, immobilisation has been abandoned in practice.

Law stated - 15 December 2022

Outstanding debt securities

Describe how issuers manage their outstanding debt securities.

Law No. 4548/2018 on sociétés anonymes allows the issuer of a bond loan to purchase its own bonds with a right to resell them without any restrictions unless otherwise provided under the terms of the bond loan, which may also provide the issuer with a voluntary prepayment right under certain conditions.

Law stated - 15 December 2022

REGULATION AND LIABILITY

Reporting obligations

Are there any reporting obligations that are imposed after the offering of debt securities? What information would be included in such reporting?

Issuers of debt securities admitted to trading on the ATHEX Regulated Securities Market or the ATHEX Alternative Market have the following reporting obligations under the Market Abuse Regulation and Decision No. 3/347 of 12 July 2005 of the Hellenic Capital Markets Commission (HCMC):

- disclosing inside information to ATHEX and publishing it on the issuer's website, including:
 - changes in the issuer's business activity;
 - the conclusion or termination of important business agreements;
 - tender offers;
 - corporate transformation;
 - changes to the composition of the board of directors or auditors;
 - distributions of dividends; and
 - insolvency related applications;
- submitting a list of all persons who have access to inside information to the HCMC; and
- reporting to the issuer, the HCMC and ATHEX transactions on shares or debt instruments of the issuer, or on derivatives or other financial instruments linked to the issuer, by persons discharging managerial responsibilities as well as persons closely associated with them for their own account.

Moreover, issuers of debt securities admitted to trading on the ATHEX Regulated Securities Market are subject to the following reporting obligations:

- transparency reporting in accordance with Law No. 3556/2007 (transposing Directive 2004/109/EC (Transparency Directive), HCMC Decision No. 1/434 of 3 July 2007 and the ATHEX Rulebook requires:
 - publication of annual and half-yearly financial reports and, for listed credit institutions, of quarterly financial reports also reported to the HCMC and ATHEX;
 - notification of acquisition and disposals of major shareholdings (with voting rights) if, as a result thereof, the proportion of voting rights held by the shareholder reaches, exceeds or falls below the thresholds of 5, 10, 15, 20, 25, 33.3, 50 and 66.6 per cent of the total voting rights, or if a shareholder already holds 10 per cent of the

- voting rights and its holdings increase or decrease by 3 per cent; and
- reporting to the HCMC and ATHEX payments to the government by issuers whose principal activities lie in the extractive or logging industries; and
- ATHEX Rulebook reporting, including the following information:
 - convocation of general meetings of shareholders and relevant resolutions;
 - payment of dividends and other cash distributions;
 - corporate actions;
 - change of use of funds raised through public offers;
 - any changes in the bond loan terms;
 - the appointment or replacement of the bondholders' agent; and
 - any resolution by the general meeting of bondholders.

Law stated - 15 December 2022

Liability regime

Describe the liability regime related to debt securities offerings. What transaction participants, in addition to the issuer, are subject to liability? Is the liability analysis different for debt securities compared with securities of other types?

Prospectus liability

According to the Prospectus Law, the following persons are responsible for the accuracy and completeness of the information contained in the prospectus:

- the issuer, the offeror or the person asking for admission to trading on a regulated market or the guarantor (or both), as the case may be;
- members of the aforementioned persons' board of directors;
- the credit institution or investment firm in charge of underwriting or placing of financial instruments, or both, on a firm or non-firm commitment basis, and the persons mentioned in the prospectus as advisers or joint coordinators and bookrunners or persons carrying out similar tasks; and
- any other person explicitly stated as being responsible for separate sections of the prospectus.

Mis-selling

The underwriters may be held liable, either on a contractual (or sometimes pre-contractual) or a tortious legal basis, for any breach of Directive 2014/65/EU (Markets in Financial Instruments (MiFID II)) or other relevant investor protection provisions in connection with the offering of debt securities (eg, mis-selling to retail investors).

The liability analysis for debt securities is no different to other types of securities.

Law stated - 15 December 2022

Remedies

What types of remedies are available to the investors in debt securities?

The main remedy available to investors in debt securities, either on a contractual (or sometimes pre-contractual) or a tortious legal basis, is damages, which may be pecuniary or non-pecuniary, or both, depending on the liability invoked.

Greek courts may also issue an order for restoration to the original position, provided it does not oppose the investors' interests.

Contractual damages (mainly based on the contract between investors and underwriters for the acquisition of debt securities, if any) intend to compensate investors for losses actually suffered and are constituted by the difference between the investors' actual position and the position they would have been in had the contract been duly performed.

Damages on the basis of prospectus liability or pre-contractual liability are intended to place the injured investor in the same position as they would have been in if the breach of law or tort had not occurred. Under Greek law, the persons responsible for the prospectus are liable only for direct losses and not for the loss of profit to the persons that acquired the securities in the first 12 months following the public offer, provided that a causal link exists between the investors' loss and the inaccuracy of the prospectus, and that the inaccuracy of the prospectus is the result of (at least) slight negligence of the responsible persons.

If investors qualify as consumers, consumer organisations have legal standing to institute collective actions against the issuer, the underwriters or other persons responsible for the prospectus.

Law stated - 15 December 2022

Enforcement

What sanctioning powers do the regulators have and on what grounds? What are the typical results of regulatory inquiry or investigation?

The HCMC has the following indicative intervention powers in relation to the public offering and trading of debt securities, in the case of actual or suspected infringement of Law No. 4706/2020 (Prospectus Law), introducing implementation measures for Regulation (EU) No. 2017/1129 (Prospectus Regulation) (jointly, the Prospectus Legislation). Namely, it may:

- suspend or prohibit a public offering or admission to trading on the ATHEX Regulated Securities Market;
- request suspension of trading on the ATHEX Regulated Securities Market or the ATHEX Alternative Market; and
- request issuers to announce material information that may affect the valuation of the securities.

The HCMC may also:

- issue a public statement indicating the person responsible and the nature of the breach;
- issue an order requiring the person responsible for the breach to cease the conduct and to desist from a repetition of that conduct;
- withdraw the authorisation of regulated entities responsible for the breach;
- issue a temporary or permanent prohibition of professional activity with respect to members of the management body of the issuer, the offeror or the person asking for admission to trading on a regulated market; or
- impose pecuniary sanctions of up to twice the amount of profit gained as a result of a breach where those amounts can be determined or, in the case of legal persons, up to €5 million or 3 per cent of the total turnover in the preceding business year.

Law stated - 15 December 2022

Tax liability

What are the main tax issues for issuers and bondholders?

According to Law No. 4172/2013, interest income arising under bonds listed on a trading venue within the European Union, such as ATHEX, are paid to non-resident bondholders and are exempt from Greek income and withholding tax. Bondholders who either reside or maintain a permanent establishment in Greece for Greek tax law purposes will be subject to Greek withholding income tax at 15 per cent, which is made by a paying agent or other similar agent who either resides or maintains a permanent establishment in Greece for Greek tax law purposes. The 15 per cent will, as a rule, exhaust the tax liability for individuals; however, it will not do so for legal entities (which will be taxed according to the applicable tax rate scale, which rises progressively to 44 per cent).

Bondholders are taxed as follows for gains from the disposal of bonds.

- Non-resident and resident individuals are taxed at 15 per cent. If the transfer is considered to derive from business activity, as a rule, it will be taxed according to the applicable tax rate scale (up to 44 per cent). Tax residents in a jurisdiction with which Greece has entered into a double taxation treaty (DTT) are exempt, provided they furnish appropriate documents.
- Non-resident legal persons or entities are exempt from tax.
- Resident legal persons or entities will be taxed at 24 per cent. Credit institutions that fall under the scope of the deferred tax assets framework of article 27A of Law No. 4172/2013 are taxed at 29 per cent.

Gains from the disposal of bonds issued according to Law No. 4548/2018 on sociétés anonymes and article 14 of Law No. 3156/2003 are exempt. This exemption is final in respect of non-resident bondholders and in respect of resident bondholders retaining single-entry books. For those retaining double-entry books, the exemption operates as tax deferral.

The overall net income of an individual reported in an annual personal Greek income tax return exceeding €12,000 is subject to a solidarity levy, the rate of which rises progressively from 2.2 per cent to 10 per cent and is calculated with reference to both taxable and tax-exempt income. Under Law No. 4646/2019, the interest income arising under bonds listed to ATHEX and paid to non-resident bondholders is exempt.

The solidarity levy is not imposed on income generated in Greece and acquired by a non-Greek tax resident or to income generated outside Greece and acquired by a Greek tax resident when Greece is not entitled to impose a tax on the basis of a DTT.

Law stated - 15 December 2022

UPDATE AND TRENDS

Key developments of the past year











Please provide any updates and trends in your jurisdiction's debt capital market.

Over the past few years, the Greek capital market has had to adjust to continually changing economic and regulatory conditions, including newly issued EU legislation that radically affected many aspects of Greek debt capital market law. Although in 2021 the Greek capital market had recovered from the pandemic shock and large Greek corporates continued to tap the debt market by issuances of several hundred million euros, Russia's invasion of Ukraine in February 2022 affected the Greek capital market as a result of slowing growth and rising inflation rates. Notwithstanding the downward trend in the Greek capital markets, our firm had the chance to advise in all shipping

bond issues that took place in 2022 (February 2022 and July 2022).

Law stated - 15 December 2022

Jurisdictions

	Belgium	Liedekerke Wolters Waelbroeck Kirkpatrick
	Greece	Koutalidis Law Firm
	India	Cyril Amarchand Mangaldas
	Japan	Anderson Mōri & Tomotsune
	Luxembourg	Loyens & Loeff
	Malta	GVZH Advocates
	Netherlands	Stibbe
	Switzerland	Baker McKenzie
	Taiwan	Lee and Li Attorneys at Law
	USA	Sullivan & Cromwell LLP