



MOURGELAS & ASSOCIATES Law Firm

Interview with Mr. Gregory Mourgelas, Senior Partner at G. Mourgelas & Associates Law Firm

For what five issues do your clients most frequently seek assistance?

Whether individuals or companies, Greeks or foreigners, the clients of Mourgelas & Associates seek assistance on a wide range of legal issues. Five basic areas on which our methodology of constant legal monitoring is frequently solicited relate to: a) corporate formations, transactions and contracts, b) real estate, c) energy and environment, d) media industry and new technologies (media, advertisement & communication, internet etc.) and e) public utilities (public procurement-works-services).

Among the aforementioned issues, which one would you particularly consider to be at the moment in the spotlight in Greece?

A field of law which is gaining more and more in importance is undoubtedly the one of environmental and energy law. In this respect, all issues relating to the so called "green development", with an emphasis on investments in the Renewable Energy Sources (RES) sector, constitute currently the most promising field in Greece for the realization of profitable investments.

Which is the Greek legislative framework for RES projects in Greece? Are there any developments expected in this field of law in the near future?

The most significant legislation regulating the production of electricity from RES comprises of Law 3468/2006 (as amended by Law 3734/2009), as well as of a series of Ministerial Decisions in execution thereof, all of which establish a rather complicated licensing procedure for the realization of RES projects. Besides, the implementation of the respective provisions in the local administrative practice has also met with many obstacles. As a result of the above, at the beginning of December 2009, a draft bill including a number of serious amendments to the existing legislation on RES was published for public consultation by the recently established Greek Ministry of Environment, Energy and Climate Change. These amendments shall provide for a radical simplification of the existing licensing procedure, by shortening the overall time needed for the completion of such procedures, as well as by exempting a much wider range of cases from the obligation to obtain the licenses normally required. Moreover, the existing restrictions regarding the areas in which the installation of RES projects is allowed to take place shall also be revised, substantially limiting the areas in which the installation of RES projects is forbidden. Worth mentioning is finally, in this respect, the intention of the Greek

state to further promote the improvement of buildings' energy performance, by amending the respective, recently issued legislative Act (L. 3661/2008), with a view to specifically encourage the use of RES for covering the energy needs of new buildings.

Within the context of the current financial situation in Greece, which are the opportunities offered to investors from a legislative point of view?

The main financial instrument for all sectors of economic activity is up to this day the so called "Development Law" (L. 3299/2004), providing financial aids and incentives in various forms (including cash grants, leasing subsidies, tax allowance and labour cost subsidies) to investments exceeding certain thresholds. This law having been often criticised as bureaucratic and complicated, the new Minister of Economy announced in November 2009 that a new draft bill on investments will be presented to the Parliament at the beginning of 2010. The new law will seemingly be more favorable for investments, simplifying and speeding-up the procedures of examination of the relevant applications for financing.

Considerable public funding (of an overall budget of 26,2 billion €) for several investment projects is also expected to derive from the Greek National Strategic Reference Framework (ESPA) under the 4th European Community Support Framework from 2007 to 2013. Moreover, aiming to promote business and combat bureaucracy, the Greek Government has announced its intention to revise the existing legislation on the establishment of new legal entities with a view to the simplification of the respective procedures, particularly through a drastic reduction of the number of steps required in this respect, which shall cut down the respective costs by 70%. Furthermore, additional measures shall be taken to streamline tax and administrative charges.

In what way could a local law firm be of help to foreigners wishing to invest in Greece?

In case a foreign investor wishes to do business in Greece, the help of a local lawyer seems imperative on the following issues: a) advice and assistance on all legal and tax issues relating to the formation of a local legal entity or a branch office in Greece as well as to all steps required for the realization of the specific business projects, b) drafting and negotiating of contracts, business schemes and joint venture agreements with potential business partners, c) support throughout the project finance and state subsidies procedure and d) representation in all litigation and dispute resolution procedures which may arise. Furthermore, the assistance which a lawyer can provide with regard to the communication with local public administration authorities is, by all means, not to be ignored. Even if not literally belonging to a lawyer's main duties, assistance while dealing with the Greek authorities may turn out to be in most cases of the utmost importance to foreign investors, often accustomed to different administrative systems and practices.

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