

Recently Issued Acts

Renewable Energy

New PV feed in tariffs – Enhancement of the power market operator – Suspension of the licensing procedure

Four ministerial decisions were published on August, 10, 2012 (Government Gazette Issue B, Vol. 2317) introducing new measures aiming to restore liquidity in the Greek electricity market. Among others, a further reduction of the feed-in-tariffs for the electricity production by photovoltaic systems was decided, e.g. reducing the tariff for plants over 100 kW for February 2013 to €171,90 instead of €252,62 per MWh. The reduction of tariffs has no retroactive effect, applying only to new requests. In order to financially support the Greek power market operator (LAGIE), it was also decided that 25% of the fee paid by consumers for the funding of the Greek state broadcaster ERT, shall be used by LAGIE to pay off the RES generated electricity producers. Furthermore, due to the fact that Greece's 2020 target for a 2.200 MW capacity from photovoltaic systems has already been exceeded, a temporary suspension of the authorization process for this RES category was announced. Thus, from now on no requests for the issuance of production licenses for photovoltaic systems with a capacity over 1 MW or for the issuance of grid connection offers for systems up to 1 MW shall be accepted. Also pending requests shall be affected by this suspension; photovoltaic systems having already received a production license or a grid connection offer may, however, continue the licensing procedure without any problems. In addition to the above, a specific reference must be made to the issuance of Decision 699/2012 by the Greek Regulatory Authority for Energy (RAE) on August 1, 2012, which suspended

the authorization procedure for all RES projects (i.e. not only for photovoltaic systems) in the region of Peloponnese, in order to avoid an electricity grid overload at that area.

Banking

News on the recapitalization of the four largest Greek banks

The Greek Parliament voted on September 13, 2012 a law ratifying three acts of legislative content ("praxeis nomothetikou periechomenou"), within the framework of which the recapitalization of the four largest Greek banks with a total of 18 billion euros funds has taken place. The transfer of the funds from the Hellenic Financial Stability Fund (HFSF) to the four banks has been completed on May, 29, as part of the efforts to support the local banking sector amid the alarming Greek debt crisis. Aiming to restore the capital adequacy level of these banks and ensure their access to the provision of liquidity funding from the European Central Bank and the Eurosystem, this capital injection guarantees sufficient financial resources that are expected to come in support of the real economy.

Litigation

Change of the date of entry into force of some provisions of Law 4055/2012 on fair trial

Law 4055/2012, which was published on March 12, 2012 (Government Gazette Issue A, Vol. 51), had introduced a series of regulations aiming at the improvement of the administration of justice and particularly at a faster and fairer trial. Among others, par. 21 of article 110 of the said law provided that the provisions of articles 1,4,5,8 and 20 shall be effective from September, 16, 2012.

The said provisions are mainly related to the transfer of jurisdiction of some cases, such as the establishment of associations and the issuance of certificates of inheritance, from the District Courts to the Courts of Peace. A new law (4077/2012), which was published on August 31, 2012

(Government Gazette Issue A, Vol. 168) changes the date of entry into force of most of the said provisions (1, 4, 5 and 20) to March 1, 2013, aiming to provide the Courts with sufficient time to adapt to their new duties.

Drafts Introduced for Public Consultation

Commercial Law

New Market Code bill

The planned market code (“Agoranomikos Kodikas”) bill has been put up for public consultation on September 19, 2012. The proposed regulation, which will replace the existing market code that dates from 1946, is designed to enhance consumer protection. According to the new rules, which concern the transaction and trading of products as well as service provision, the double price sign will also apply to industrial products, but not to grocery items. Clothing and footwear in stores will therefore have to bear prices both without and including value-added tax. The updating of the market rules has been ongoing for about one year and is a part of Greek state’s obligations under the bailout memorandum signed with its creditors.

Energy Efficiency

New bill on the improvement of buildings’ energy performance

The Greek Ministry of Environment, Energy and Climate Change introduced on August 30, 2012 a new legislative instrument for public consultation, aiming to replace Law 3661/2008 on the improvement of buildings’ energy performance. The new bill shall implement Directive 2010/31/EU, introducing measures to improve further the energy performance of buildings. Among others, the bill provides for the methodology for calculating cost-optimal levels of

minimum energy performance requirements as well as for means of financing investments in energy efficiency measures. Compared to Law 3661/2008, more detailed stipulations are included with regard to the energy performance certification of buildings and the inspection of heating and air-conditioning systems, carried out by qualified and accredited experts. In this respect, the bill defines the upper payment limits of the energy inspectors designated for such certification and inspections.

Electricity Market

Initiatives of the Greek Regulatory Authority for Energy

On September 10, 2012 the Greek Regulatory Authority for Energy (RAE) announced that the public consultation initiated on July 23, 2012 with regard to RAE’s proposals for the restructuring of the local electricity market shall last until October 1, 2012. The Proposals issued by RAE aim to introduce radical changes to the Greek electricity market in order to deal with the long-lasting problems of this sector, with a view to the implementation of the Third Energy Package by 2014. Moreover, RAE also presented on September 13, 2012 its Opinion for a new Licensing Regulation for Electricity Supply and Trading, which is expected to be issued soon by the Greek Ministry of Environment, Energy and Climate Change. Among others, a separate licensing procedure is envisaged with regard to electricity supply and electricity trading.

Business Opportunities

Progress on privatizations

After the temporary “stop” of the Greek privatisation process on May 2012 due to the parliamentary elections, the Hellenic Republic Asset Development Fund (HRADF) held two meetings of the Board of Directors on September 2012 with a view to the acceleration of this process. Among others, the following steps with regard to the privatisations in progress have been approved:

OPAP (Hellenic Football Prognostics Organisation)

The sale of 29% of OPAP SA shares through international open tender was reconfirmed. The publication of the Expression of Interest Invitation and the initiation of the tender process are expected within the following days.

State lottery

The final draft of the concession agreement for the privatisation of the State Lottery was approved. Participants will be invited to submit binding financial offers within 45 days.

Land plot in Kassiope, Corfu

The second phase of the tender process for the development of the land plot has been launched. Participants will be invited to submit binding financial offers within 60 days.

Hellinikon (Former Hellinikon airport area)

The process for the next stage of the tender (submission of binding technical and financial bids) shall be finalized during the Board’s next meeting. Four companies have been selected among the nine candidates for this second phase.

Privatization of “Public Power Corporation S.A.” (“PPC”)

On September 14, 2012, 17% of the shares of PPC owned by the Greek State was transferred to the Hellenic Republic Asset Development Fund (HRADF). As a result, the Greek State now owns only 34,123% of the company.

DEPA (“Public Gas Corporation SA”) / DESFA (Hellenic Gas Transmission System Operator S.A)

The Board of Directors approved the contract between HRADF and PPC waiving the right of PPC to acquire up to 30% stake in DEPA in exchange of a cash consideration. It has also approved the terms of the First Phase of the tender process for the privatization of DEPA and DESFA.

International Broadcasting Centre (IBC)

The notary act for the establishment of usufruct on the right to manage and exploit the International Broadcasting Centre (IBC) for a period of 90 years was approved. Pre-selected investors will be invited to submit their financial offers.

Uninhabited islands and islets

Finally, according to a statement of the executive director of The Hellenic Republic Asset Development Fund (HRADF), 40 uninhabited islands and islets have been identified, which could be leased for a period of up to 50 years and be developed as tourist resorts.