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Newsflash

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Latest Developments on investment related immigration legislation

Aiming to boost investments by third country nationals, two new laws (Laws 4605/2019 and 4608/2019) were recently voted by the Greek Parliament. In fact, Law 4605/2019 (Official Government Gazette 52A'/1.4.2019) expands on one hand on investments qualifying for residence permits with the addition of investments on intangible assets and on the other hand on the group of individuals who can obtain these permits. Further, Law 4608/2019 (Official Government Gazette 66A'/25.4.2019) regulates, inter alia, immigration issues related to strategic investments.

We set out below the main provisions of the new laws.

Law 4605/2019

New Investments

- Capital contribution of at least EUR 400 000 in a company registered or established in Greece, excluding Portfolio Investment Companies and Real Estate Investment Companies, for the acquisition of shares issued in course of a capital increase or for the acquisition of bonds in course of issuance of a bond loan, which are being admitted to trading on regulated markets or to multilateral trading facilities operating in Greece.
- Capital contribution of at least EUR 400 000 in a Real Estate Investment Company (REIC) of article 21 of Law 2778/1999 engaged exclusively in investments in Greece, for the acquisition of shares in course of a capital increase.
- Capital contribution of at least EUR 400 000 in a Venture Capital Investment Company of article 5 of Law 2367/1995 for the acquisition of shares or in a Venture Capital Mutual Fund of article 7 of Law 2992/2002 for the acquisition of units, provided that the purpose of the above Alternative Investments Organisations is to invest exclusively in businesses registered or established in Greece.
- Purchase of Greek State's bonds with a purchase value of at least EUR 400 000 and remaining duration, as of the purchase date, of at least 3 years, through a credit institution registered in Greece, which also acts as a trustee.
- Term Deposit of at least EUR 400 000 with a Greek credit institution, with a minimum duration of one year and a permanent renewal order.
- Purchase of shares, corporate bonds or Greek State's bonds, with a purchase value of at least EUR 800 000, which are being admitted to trading or are being traded on regulated markets or to multilateral trading facilities operating in Greece.
- Purchase of units with a purchase value of at least EUR 400 000 in a mutual fund established in Greece or abroad with exclusive purpose to invest in shares, corporate bonds or Greek State's bonds, which are being admitted to trading or are being traded on regulated markets or to multilateral trading facilities operating in Greece on the condition that: (i) the assets of the mutual fund amount to at least EUR 3 000 000 and (ii) the mutual fund and its administrator are licensed by the authority supervising the capital market in the country of its establishment, which for non-EU member states must be a member of the International Organisation of Securities Commission (IOSCO) and must have concluded with the Greek Capital Market Committee a bilateral agreement for the exchange of information.
- Purchase of units or shares of a purchase value of at least EUR 400 000 in an Alternative Investments Fund, established in Greece or another EU member state, with the purpose to exclusively invest in real estate in Greece on the condition that: (i) the assets of the Alternative Investments Fund amount to at least EUR 3 000 000 and (ii) the Alternative Investments Fund and its administrator are licensed by the competent authority supervising the capital markets in the country of their establishment.

Certification of realization and holding of the investment – Bank Accounts

In accordance with the law, the realization and holding of the investment must be certified by certificates issued by the person/institutions defined for each category of

investment (credit institution, intermediary investment company of article 4 of Law 4514/2018 etc.), whereas certain investments (for instance, capital contribution of at least EUR 400 000 in a Venture Capital Investment Company of article 5 of Law 2367/1995 for the acquisition of shares) requires the opening of a bank account with a Greek credit institution.

Investments realized by legal entities

In case the investments are realized by a legal entity (excluding the purchase of units or shares with a purchase value of at least EUR 400 000 in an Alternative Investments Fund), the entry and stay in Greece of third country nationals is permitted as follows:

i) in case of the investment is realized by a Greek legal entity, the third country national holding 100% of its capital can enter and stay in Greece,

ii) in case the investment is realized by a foreign legal entity, up to three shareholders or executives of the foreign legal entity can enter and stay in Greece, depending on the amount of the investment.

For the realization and operation of the investment plan, up to ten third country nationals, depending on the total amount of the investment, can also enter and stay in Greece, on top of the investors themselves (whereas under the previous framework, the maximum number of 10 nationals included the investors themselves).

Duration and Issuance Authorities

The residence permits of this category:

- Are issued by the Immigration Policy Department of the Immigration Policy Ministry,
- Are of five years duration and are renewed for an equal period each time, provided that the holding of the investment is certified and the remaining conditions for the permits' issuance are met,
- Do not give access to the employment market.

Finally, the third country nationals eligible for the permits in question can be accompanied by their family members, who obtain separate residence permits with a duration equal to the duration of the permits of the main applicant (investor etc.).

The regulations of Law 4605/2019 will come into force on 1 July 2019.

Law 4608/2019

Regarding Strategic Investments as determined by Law 4608/2019, the provisions of Law 4251/2014 (Immigration Code) on investment activities apply to up to 10 executives of any investment schemes for all categories of Strategic Investments.

Other Immigration Issues

Ministerial Decision 9907/2019

Aiming at expediting of the processing procedures, Ministerial Decision 9907/2019 (Official Government Gazette 1106B'/3.4.2019) provides that the applications for the issuance and renewal of the residence permits provided for by article 20 par. b of Law 4251/2014 (acquisition of real estate with a value of at least EUR 250 000 in Greece etc.) can be filed with any One Stop Authority of the Foreigners and Immigration

Departments of the Decentralised Administration. In such a case the applicant must appoint a correspondence representative in accordance with the applicable legislation.

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This Newsletter aims to provide the reader with general information on the above-mentioned matters. No action should be taken without first obtaining professional advice specifically relating to the factual circumstances of each case.

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