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1 Receivables Contracts

1.1 Formalities. In order to create an enforceable debt obligation of the obligor to the seller: (a) is it necessary that the sales of goods or services are evidenced by a formal receivables contract; (b) are invoices alone sufficient; and (c) can a binding contract arise as a result of the behaviour of the parties?

As a matter of Greek law, a business contract for the supply of goods or services is concluded by offer (by a party) and acceptance (by the other party), whether in the same document in the form of an agreement signed by both parties, or by an offer document addressed to the other party and followed by an acceptance document addressed to the offering party (or even without an acceptance document, where the accepting party proceeds with actions indicating acceptance of the offer).

There are, however, transactions where the offer and acceptance must be in writing and must also comply with specific legal and regulatory requirements, such as in the case of bank loan or credit agreements or agreements for the provision of other financial services.

Furthermore, where a supplier of goods or services has an ongoing relationship with the buyer of those goods or services, it is standard practice for the parties to enter into a framework supply agreement (setting out the terms regulating supplies from time to time, including pricing and payment terms, any related security, set-off rights, termination rights, etc.).

Invoices alone do not necessarily evidence that the supply of goods or services has been concluded, if they are not accompanied by acceptance of the invoice by the buyer of those goods or services (whether by countersigning the invoice or by a separate protocol of delivery and acceptance of the relevant goods or services, especially where checks need to be conducted as to specific deliverables (for services) or as to the quantity and quality of goods delivered).

1.2 Consumer Protections. Do your jurisdiction's laws: (a) limit rates of interest on consumer credit, loans or other kinds of receivables; (b) provide a statutory right to interest on late payments; (c) permit consumers to cancel receivables for a specified period of time; or (d) provide other noteworthy rights to consumers with respect to receivables owing by them?

Non-bank interest rates are subject to a legal maximum, which may fluctuate by reference to the discounting rate of the European Central Bank (ECB) as applicable from time to time. Based on the ECB discounting rate (https://www.bankofgreece.gr/statistika/xrhmatopistwtikes-agores/ekswtrapezika-epitokia), the legal maximum non-bank contractual interest rate is (with effect from 12 March 2025) 7.90% *p.a.* and the legal maximum non-bank default interest rate is 9.90% *p.a.*

Bank interest rates applicable to a loan or credit facility agreement are not subject to a legal maximum, but they must be set clearly and transparently in the agreement between the bank and its client (for instance, by reference to a transparent base rate such as Euribor, plus an agreed margin), while the default interest rate for overdue amounts cannot exceed 2.5 percentage points over and above the interest rate normally applicable to the relevant loan or credit facility in accordance with its terms.

The above rates equally apply to consumers and non-consumers. Consumers have some additional protections, apart from those concerning the interest rate. These protections are primarily the following:

(a) in respect of a distance contract or a contract concluded away from the business premises of the supplier, consumers are entitled to withdraw from the contract within a specified period and such right to withdraw is exercised by a notice of withdrawal (reference to the right to withdraw, together with a template of the withdrawal notice must be included in the contract, otherwise the contract is void); and

(b) unfair or abusive terms in a contract with a consumer are unenforceable against the consumer; indicatively, such unfair or abusive terms may consist in waivers of protections available under the general provisions of the law, non-transparent pricing terms and (in respect of bank loan or credit agreements) non-transparent interest rates or other charges or provisions entitling the lender to terminate and accelerate the loan or credit facility upon the first payment default.

Particular attention is also required as to the persons who qualify as consumers for Greek law purposes. For contracts concluded before 17 March 2018, a legal entity may also qualify as a consumer, if the legal entity is the end user of the relevant goods or services. Where the portfolio intended to be securitised includes contracts involving consumers (including as guarantors or other security providers), it is advisable to conduct due diligence on a sample of underlying contracts, in order to assess what provisions could be held unenforceable against the consumers.

1.3 Government Receivables. Where the receivables contract has been entered into with the government or a government agency, are there different requirements and laws that apply to the sale or collection of those receivables?

There are indeed different requirements:

- Articles 10 and 14 of Law 3156/2013 apply to the securitisation of business receivables against private law persons (legal entities or individuals, including consumers).
- Article 14 of Law 2801/2000 (as in force) applies to the securitisation of receivables against the Greek State and public law entities.

2 Choice of Law – Receivables Contracts

2.1 No Law Specified. If the seller and the obligor do not specify a choice of law in their receivables contract, what are the main principles in your jurisdiction that will determine the governing law of the contract?

Pursuant to article 4 of Regulation (EC) No. 593/2008 of the European Parliament and of the Council of 17 June 2008 on the law applicable to contractual obligations (Rome I), in the absence of a choice of law in the receivables contract, the law of the country where the party effecting the performance (which is characteristic of the contact) has, at the time of conclusion of the contract, its habitual residence, shall apply. In respect of a contract for the supply of goods or services, the applicable law will be the law of the country where the supplier has its habitual residence (subject to specific exceptions provided for by Rome I, including in connection with contracts with consumers).

2.2 Base Case. If the seller and the obligor are both resident in your jurisdiction, and the transactions giving rise to the receivables and the payment of the receivables take place in your jurisdiction, and the seller and the obligor choose the law of your jurisdiction to govern the receivables contract, is there any reason why a court in your jurisdiction would not give effect to their choice of law?

Based on the factual assumptions set out above, there is no reason why a court in our jurisdiction would not give effect to such choice of law.

2.3 Freedom to Choose Foreign Law of Non-Resident Seller or Obligor. If the seller is resident in your jurisdiction but the obligor is not, or if the obligor is resident in your jurisdiction but the seller is not, and the seller and the obligor choose the foreign law of the obligor/seller to govern their receivables contract, will a court in your jurisdiction give effect to the choice of foreign law? Are there any limitations to the recognition of foreign law (such as public policy or mandatory principles of law) that would typically apply in commercial relationships such as that between the seller and the obligor under the receivables contract?

The only limitations are those applicable under Rome I. We set out below the most likely limitations in respect of a contract giving rise to receivables:

(a) the choice of law will not cover any matters that fall outside the scope of Rome I, under article 1 of Rome I (such as legal capacity of the parties, issues concerning negotiable instruments, arbitration and choice of court, questions governed by the law of companies or other corporate or unincorporated bodies, pre-contractual matters, constitution of trusts or certain matters pertaining to insurance);

(b) the choice of law will not cover rights *in rem* over immovable property (article 4 of Rome I);

(c) a contract with a consumer will be governed by the law of the country of the consumer's habitual residence if the supplier pursues its commercial or professional activities in the country of the consumer's habitual residence or if it directs such activities to that country or to several countries including that country (article 6 of Rome I);

(d) overriding mandatory provisions (in the public interest) of the country where the obligations arising out of the contract have to be or have been performed will prevail (article 9 of Rome I); and

(e) provisions of the contract or provisions of the law applicable to the contract will not apply if their application is found to be manifestly incompatible with the international public policy of the forum (article 21 of Rome I); this limitation can only exceptionally apply, as it is only relevant to fundamental public policy rules of the forum.

3 Choice of Law – Receivables Purchase Agreement

3.1 Base Case. Does your jurisdiction's law generally require the sale of receivables to be governed by the same law as the law governing the receivables themselves? If so, does that general rule apply irrespective of which law governs the receivables (i.e., your jurisdiction's laws or foreign laws)?

There is no Greek law requirement that the receivables purchase agreement for the receivables be governed by the same law as the law governing the receivables themselves.

As a matter of Greek market practice in securitisation transactions, English law is the law agreed by the parties to apply to the receivables purchase agreement, which contains the complete set of the contractual rights and obligations of the parties. Greek law governs only a short form assignment agreement (entered into at completion of the receivables purchase agreement and containing the minimum content required for perfection of the assignment by registration).

3.2 Example 1: If (a) the seller and the obligor are located in your jurisdiction, (b) the receivable is governed by the law of your jurisdiction, (c) the seller sells the receivable to a purchaser located in a third country, (d) the seller and the purchaser choose the law of your jurisdiction to govern the receivables purchase agreement, and (e) the sale complies with the requirements of your jurisdiction, will a court in your jurisdiction recognise that sale as being effective against the seller, the obligor and other third parties (such as creditors or insolvency administrators of the seller and the obligor)?

Assuming that the sale complies with the requirements of articles 10 and 14 of Law 3156/2003 (on securitisation of receivables), a Greek court would recognise that sale as being effective against the seller, the obligor and other third parties (such as creditors or insolvency administrators of the seller and the obligor).

3.3 Example 2: Assuming that the facts are the same as Example 1, but either the obligor or the purchaser or both are located outside your jurisdiction, will a court in your jurisdiction recognise that sale as being effective against the seller and other third parties (such as creditors or insolvency administrators of the seller), or must the foreign law requirements of the obligor's country or the purchaser's country (or both) be taken into account?

The relationship between the purchaser and the seller (and, assuming that the seller's insolvency is governed by Greek law, also between the purchaser and the insolvency administrators of the seller or any creditors of the seller) will be governed by the receivables purchase agreement for the receivables (article 14(1) of Rome I).

A Greek court will consider the sale and assignment of the receivables as effective if:

(a) the requirements of articles 10 and 14 of Law 3156/2003 have been complied with; and
(b) no foreign law applicable to the purchaser would have an adverse effect on the legality, validity, binding effect or enforceability of the receivables purchase agreement for reasons concerning the purchaser.

Any foreign law requirements applicable in the obligor's country would be relevant to the conditions on which any rights and claims could be exercised by the purchaser against the obligor in the obligor's country (article 14(2) of Rome I).

3.4 Example 3: If (a) the seller is located in your jurisdiction but the obligor is located in another country, (b) the receivable is governed by the law of the obligor's country, (c) the seller sells the receivable to a purchaser located in a third country, (d) the seller and the purchaser choose the law of the obligor's country to govern the receivables purchase agreement, and (e) the sale complies with the requirements of the obligor's country, will a court in your jurisdiction recognise that sale as being effective against the seller and other third parties (such as creditors or insolvency administrators of the seller) without the need to comply with your jurisdiction's own sale requirements?

A Greek court will consider the sale and assignment of the receivables as being effective against the seller and other third parties (such as creditors or insolvency administrators of the seller) if:

(a) the requirements of articles 10 and 14 of Law 3156/2003 have been complied with; and
(b) no foreign law applicable to the purchaser would affect the legality, validity, binding effect or enforceability of the receivables purchase agreement for reasons concerning the purchaser.

3.5 Example 4: If (a) the obligor is located in your jurisdiction but the seller is located in another country, (b) the receivable is governed by the law of the seller's country, (c) the seller and the purchaser choose the law of the seller's country to govern the receivables purchase agreement, and (d) the sale complies with the requirements of the seller's country, will a court in your jurisdiction recognise that sale as being effective against the obligor and other third parties (such as creditors or insolvency administrators of the obligor) without the need to comply with your jurisdiction's own sale requirements?

Based on article 14(2) of Rome I, the law governing the contract underlying the receivables will determine its assignability and the terms and conditions on which the assignee can invoke the assignment against the obligor and whether the obligor's obligations have been discharged. Therefore:

(a) if the contract giving rise to the receivables is governed by Greek law, under articles 455 *et seq.* of the Greek Civil Code, individual notification of assignment will need to be given to an obligor located in Greece in respect of a sale and assignment of receivables effected between a seller and a purchaser located in another country, in order for the purchaser to exercise rights and claims against the obligor; and
(b) if the contract giving rise to the receivables is not governed by Greek law, the law applicable to that contract will determine the conditions on which the purchaser can exercise rights and claims against the obligor.

3.6 Example 5: If (a) the seller is located in your jurisdiction (irrespective of the obligor's location), (b) the receivable is governed by the law of your jurisdiction, (c) the seller sells the receivable to a purchaser located in a third country, (d) the seller and the purchaser choose the law of the purchaser's country to govern the receivables purchase agreement, and (e) the sale complies with the requirements of the purchaser's country, will a court in your jurisdiction recognise that sale as being effective against the seller and other third parties (such as creditors or insolvency administrators of the seller, any obligor located in your jurisdiction and any third party creditor or insolvency administrator of any such obligor)?

A Greek court will consider the sale and assignment of the receivables as being effective against the seller and other third parties (such as creditors or insolvency administrators of the seller) and against the obligor and other third parties (such as creditors or insolvency administrators of the obligor) if:

(a) the requirements of articles 10 and 14 of Law 3156/2003 have been complied with; and
(b) no foreign law applicable to the purchaser would affect the legality, validity, binding effect or enforceability of the receivables purchase agreement for reasons concerning the purchaser.

4 Asset Sales

4.1 Sale Methods Generally. In your jurisdiction what are the customary methods for a seller to sell receivables to a purchaser? What is the customary terminology – is it called a sale, transfer, assignment or something else?

The sale agreement is the agreement to sell the receivables and gives rise to contractual rights and obligations of the parties and can be governed by the law selected by the parties (as discussed above, English law is usually the law governing a receivables purchase agreement in a securitisation transaction in the Greek market).

The transfer of ownership of the receivables (the *in rem* transfer) is effected by assignment of the receivables (which is effected at completion of the receivables purchase agreement, following satisfaction or waiver of agreed conditions precedent to completion).

Under the general provisions of the Greek Civil Code (articles 455 *et seq.*), the assignment is perfected by individual

notification to the debtor of the receivables. However, article 10 of Law 3156/2003 (on securitisation of receivables) deviates from the above general provisions of the Greek Civil Code and provides that the assignment is perfected by registration of the Greek law assignment agreement in the public books of the competent pledge register of the place where the registered seat of the seller in Greece (or permanent establishment of the seller in Greece) is located. By and upon such registration, the assignment of the receivables (i.e. the transfer of title) to the purchaser takes effect *in rem* as against all persons, as far as Greek law is concerned.

4.2 Perfection Generally. What formalities are required generally for perfecting a sale of receivables? Are there any additional or other formalities required for the sale of receivables to be perfected against any subsequent good faith purchasers for value of the same receivables from the seller?

In securitisation transactions involving a seller being resident in Greece (or acting through a permanent establishment in Greece), article 10 of Law 3156/2003 (on securitisation of business receivables) requires that the Greek law assignment agreement referred to in our response to question 4.1 above must be registered in the public books of the competent pledge register, whereupon the transfer of title in the receivables to the purchaser takes full effect *in rem* as against all persons, as far as Greek law is concerned.

Please also refer to question 4.1 above.

4.3 Perfection for Promissory Notes, etc. What additional or different requirements for sale and perfection apply to sales of promissory notes, mortgage loans, consumer loans or marketable debt securities?

Any requirements applicable to the sale and transfer of promissory notes or marketable debt securities (in accordance with their respective terms) will need to be complied with, such as physical transfer of the relevant negotiable instruments (if they are in paper form), in accordance with the laws and regulations applicable to those negotiable instruments.

Upon registration of the assignment agreement (see responses to questions 4.1 and 4.2 above), the pledge register will issue a certificate of registration of the assignment of the receivables. Based on such certificate of registration, the purchaser (in practice, the appointed servicer of the receivables) will be able to effect annotation of the transfer of the receivable in the public books of: the competent land register or cadastre, where the securitised receivable is secured over real property; or the competent pledge register, where the securitised receivable is secured over movable assets or receivables owned by the obligor. Such annotations are not required for the perfection of the transfer of the receivable or of the security interest securing that receivable, they are only required for the update of the public books of the competent public register in connection with the identity of the beneficiary of the security interest securing the relevant receivable; in practice, such annotations are made only if it becomes necessary (for instance, when enforcement steps are intended to be taken against the obligor).

4.4 Obligor Notification or Consent. Must the seller or the purchaser notify obligors of the sale of receivables in order for the sale to be effective against the obligors and/or creditors of the seller? Must the seller or the purchaser obtain the obligors' consent to the sale of receivables in order for the sale to be an effective sale against the obligors? Whether or not notice is required to perfect a sale, are there any benefits to giving notice — such as cutting off obligor set-off rights and other obligor defences?

Pursuant to article 10 of Law 3156/2003 on securitisation of receivables, registration of the assignment agreement (as discussed in our responses to questions 4.1 and 4.2 above) operates as a deemed notification, without the need to give individual notifications to the obligors (as would otherwise be required under the general provisions of articles 455 *et seq.* of the Greek Civil Code on assignment of rights and claims).

Personal data notifications under the GDPR are given by the seller before the assignment of the receivables (in practice, shortly before completion of the receivables purchase agreement). Following registration of the assignment agreement (as discussed above), the appointed servicer for the receivables notifies the obligors of the effected transfer of the receivables, partly in order to update payment instructions and partly in order to give the notifications required by the GDPR in connection with the processing of personal data following the transfer of the receivables. Such notification (usually called a "hello letter") is common practice, especially where the obligors are consumers (due to a requirement for transparent communications with consumers).

Furthermore, article 10 of Law 3156/2003 provides that the sale and transfer of the receivables by the seller to the purchaser take full effect notwithstanding any restrictions of assignment in the contract underlying the receivables. Therefore, as far as the effect of the sale and transfer of the receivables is concerned, no prior consent on the part of the obligors is required, even if the contract underlying the receivables includes restrictions on assignment of the receivables.

4.5 Notice Mechanics. If notice is to be delivered to obligors, whether at the time of sale or later, are there any requirements regarding the form the notice must take or how it must be delivered? Is there any time limit beyond which notice is ineffective — for example, can a notice of sale be delivered after the sale, and can notice be delivered after insolvency proceedings have commenced against the obligor or the seller? Does the notice apply only to specific receivables or can it apply to any and all (including future) receivables? Are there any other limitations or considerations?

Pursuant to article 10 of Law 3156/2003 on securitisation of receivables:

(a) upon registration of the assignment agreement, the sale and transfer of the receivables is not affected by the opening of any insolvency proceedings in respect of the seller; and

(b) the securitised receivables can include future receivables and the effect of paragraph (a) above is the same, in that the protection does not depend on whether such future receivables would come into existence before or after the opening of any insolvency proceedings in respect of the seller.

It is standard market practice for the purchaser (and the investors in the notes issued by the purchaser) to require the seller to deliver a solvency certificate at completion, as evidence that the purchaser (and the investor in the notes) are relying in good faith on that certificate and, therefore, are

fully entitled to the protection accorded by article 10 of Law 3156/2003. Please also refer to our response to question 6.3 below.

4.6 Restrictions on Assignment – General Interpretation. Will a restriction in a receivables contract to the effect that "None of the [seller's] rights or obligations under this Agreement may be transferred or assigned without the consent of the [obligor]" be interpreted as prohibiting a transfer of receivables by the seller to the purchaser? Is the result the same if the restriction says "This Agreement may not be transferred or assigned by the [seller] without the consent of the [obligor]" (i.e., the restriction does not refer to rights or obligations)? Is the result the same if the restriction says "The obligations of the [seller] under this Agreement may not be transferred or assigned by the [seller] without the consent of the [obligor]" (i.e., the restriction does not refer to rights)?

As discussed in our response to question 4.3 above, under article 10 of Law 3156/2003, restrictions of this type in the contracts underlying the receivables have no impact on the effect of the sale and transfer of the receivables to the purchaser.

It is a different matter whether the seller could be exposed to liability towards the obligors for having sold and transferred the receivables without the prior consent of the obligors in breach of contractual restrictions on transfer. Depending on the type of the receivables and the exact provisions of the contract underlying the receivables (including on set-off rights), it may need to be assessed (in the circumstances and on a case-by-case basis) whether a breach of non-assignability provisions on the part of the seller could perhaps expose the purchaser to counterclaims and set-off rights on the part of the obligors. Please also refer to our response to question 4.13 below on set-off issues.

4.7 Restrictions on Assignment; Liability to Obligor. If any of the restrictions in question 4.6 are binding, or if the receivables contract explicitly prohibits an assignment of receivables or "seller's rights" under the receivables contract, are such restrictions generally enforceable in your jurisdiction? Are there exceptions to this rule (e.g., for contracts between commercial entities)? If your jurisdiction recognises restrictions on sale or assignment of receivables and the seller nevertheless sells receivables to the purchaser, will either the seller or the purchaser be liable to the obligor for breach of contract or tort, or on any other basis?

Please refer to our response to question 4.6 above.

4.8 Identification. Must the sale document specifically identify each of the receivables to be sold? If so, what specific information is required (e.g., obligor name, invoice number, invoice date, payment date, etc.)? Do the receivables being sold have to share objective characteristics? Alternatively, if the seller sells *all* of its receivables to the purchaser, is this sufficient identification of receivables? Finally, if the seller sells *all* of its receivables *other than* receivables owing by one or more specifically identified obligors, is this sufficient identification of receivables?

The receivables purchase agreement and, more importantly, the assignment agreement to be entered into at completion of the receivables purchase agreement will need to identify the receivables, usually by reference to: the obligor's name, tax or corporate registration number and address; the underlying agreement giving rise to the receivables; the amount outstanding under the receivable (as at a specified date); and, where applicable, the invoice(s), number(s) and date(s), and, normally, also by reference to a unique number based on which number the receivable is identified in the seller's systems.

Therefore, identification is not sufficient if it refers to "all receivables" in general or if it refers to "all receivables other than certain specific receivables".

4.9 Recharacterisation Risk. If the parties describe their transaction in the relevant documents as an outright sale and explicitly state their intention that it be treated as an outright sale, will this description and statement of intent automatically be respected or is there a risk that the transaction could be characterised by a court as a loan with (or without) security? If recharacterisation risk exists, what characteristics of the transaction might prevent the transfer from being treated as an outright sale? Among other things, to what extent may the seller retain any of the following without jeopardising treatment as an outright sale: (a) credit risk; (b) interest rate risk; (c) control of collections of receivables; (d) a right of repurchase/ redemption; (e) a right to the residual profits within the purchaser; or (f) any other term?

As a matter of Greek law, the stated intention of the parties is relevant, but is not a conclusive factor for the purposes of characterisation of the transaction as a true sale.

As a matter of Greek law, an assignor:

(a) does not take responsibility for the solvency of the debtors after perfection of the assignment, or their willingness to pay the assigned receivable, or successful conclusion of any collection or enforcement efforts; and

(b) is expected to transfer the risk and benefit of the assigned receivables (subject to any applicable risk retention requirements), so that the assignee is not required to account to the assignor for the collections received by the assignee.

Therefore, if the transaction operates as an assignment by way of security (in the sense that the purchaser can have recourse to the seller in the event of insufficient collections) or as an assignment for collection (in the sense that the purchaser is obliged to account to the seller for collections received by it), this will normally affect the true sale characterisation of the transaction.

For these purposes, there are certain elements that may indicate that the transaction is not a true sale. Elements of this type may concern, indicatively: put-back options granted by the seller to the purchaser obliging the seller to re-purchase and re-acquire the receivables or any part of them (usually defaulted receivables); repurchase options of the purchaser (to the extent that, in practice, the purchaser is in effect obliged to exercise such repurchase options); control of the recovery process by the seller (whether directly or indirectly through an entity appointed as servicer and controlled by the seller, and with powers to direct the recovery effort as if the seller (or the servicer controlled by it) were the owner of the receivables); warranties of the seller concerning the receivables or the debtors and extending beyond the time of sale and transfer of the receivables; or deferred price arrangements where the deferred price component is unusually higher than the price payable upfront and is determined by reference to actual collections after the sale and transfer of the receivables.

It is worth noting that article 10 of Law 3156/2003 explicitly provides that arrangements that are solely linked to breaches of warranties at the time of sale and purchase of the receivables or deferred price arrangements do not of themselves affect the true sale characterisation of the transaction.

4.10 Continuous Sales of Receivables. Can the seller agree in an enforceable manner to continuous sales of receivables (i.e., sales of receivables as and when they arise)? Would such an agreement survive and continue to transfer receivables to the purchaser following the seller's insolvency?

The receivables purchase agreement may provide for continuous sales of receivables as and when they arise, usually in additional portfolios to be sold and transferred after the initial portfolio on the terms of the receivables purchase agreement.

Any such portfolios sold and transferred before the opening of any insolvency proceedings in respect of the seller will not be affected by such proceedings. If the seller becomes insolvent before the sale and transfer of an additional portfolio, that portfolio cannot be validly sold and transferred.

4.11 Future Receivables. Can the seller commit in an enforceable manner to sell receivables to the purchaser that come into existence after the date of the receivables purchase agreement (e.g., "future flow" securitisation)? If so, how must the sale of future receivables be structured to be valid and enforceable? Is there a distinction between future receivables that arise prior to *versus* after the seller's insolvency?

As a matter of Greek law, both actual and future receivables will need to be identified in the receivables purchase agreement and, more importantly, in the assignment agreement to be registered to perfect the transfer.

Identification of future receivables will need to be made by describing the contract or other legal relationship giving rise to such future receivables, for instance as "all actual and future receivables arising under the supply contract nr. [number] and dated [date] between [seller] and [obligor] in connection with [brief description] and all invoices issued thereunder from time to time".

A description of this type will adequately identify the future receivables, so that their sale and transfer is protected in the event of any insolvency proceedings in respect of the seller.

4.12 Related Security. Must any additional formalities be fulfilled in order for the related security to be transferred concurrently with the sale of receivables? If not all related security can be enforceably transferred, what methods are customarily adopted to provide the purchaser the benefits of such related security?

As a matter of Greek law (article 458 of the Greek Civil Code), security interests are accessory rights and are transferred together with the secured receivable. Therefore, upon perfection of the transfer of secured receivables governed by Greek law, related security is also transferred.

In order to facilitate the annotations referred to in the second paragraph of our response to question 4.3 above, the annex of the assignment agreement based on which registration of the securitised receivables is effected usually sets out the related security (mortgages, pledges, etc.) that is relevant to each securitised receivable. As discussed in our response to question 4.3 above, such annotations are only intended for the update of the relevant public registers in connection with the beneficiary of the related security, and are usually effected when enforcement against the obligor becomes necessary.

4.13 Set-Off; Liability to Obligor. Assuming that a receivables contract does not contain a provision whereby the obligor waives its right to set-off against amounts it owes to the seller, do the obligor's set-off rights terminate upon its receipt of notice of a sale? At any other time? If a receivables contract does not waive set-off but the obligor's set-off rights are terminated due to notice or some other action, will either the seller or the purchaser be liable to the obligor for damages caused by such termination?

The contracts underlying the receivables may provide for contractual set-off rights (such as netting of payments), in which case these provisions will continue to be binding on the purchaser.

In the absence of such contractual set-off rights, legal set-off rights are relevant. Waivers of legal set-off rights in contracts with consumers would normally be held to constitute unfair or abusive terms, so they should not be taken at face value.

With respect to legal set-off rights that may affect the purchaser:

(a) Pursuant to article 448 of the Greek Civil Code, the general rule is that, upon notification of the assignment, the assigned debtor cannot exercise set-off rights against the assignee for claims the assigned debtor may have against the assignor.

(b) There is an exception under article 463 of the Greek Civil Code, whereby the debtor may raise against the assignee those objections that the debtor had against the assignor prior to the notification of assignment and, in respect of counterclaims that the debtor had against the assignor at the time of notification, the debtor may exercise set-off rights against the assignee, if such counterclaims became due and payable not later than the due date of the assigned claim.

Article 10 of Law 3156/2003 provides that the registration of the assignment agreement for the receivables is a deemed notification of assignment. Therefore, for the purposes of the above provisions of the Greek Civil Code, the counterclaims for which the obligors may exercise set-off rights against the purchaser are those claims that the obligors had against the seller at the time of registration, provided that such claims become due and payable not later than the due date of the receivables owing by them.

The fact that the obligors might (subject to the above) be entitled to exercise set-off rights against the purchaser does not prevent them from raising their claims directly against the seller, both before and after the transfer of the receivables to the purchaser. Where the obligors would be adversely affected by the transfer (whether because of concerns about the financial condition of the seller or because of an ongoing relationship of the obligors with the seller) and the contract underlying the receivables included restrictions on assignability, the obligors might be able to successfully sue the seller for damages resulting from a breach by the seller of the provisions of the contracts that restricted the assignment of receivables. To the extent that the criteria of application of article 463 of the Greek Civil Code would exceptionally be met in respect of any such claims of the obligors against the seller, the obligors might be able to exercise set-off rights against the purchaser.

4.14 Profit Extraction. What methods are typically used in your jurisdiction to extract residual profits from the purchaser?

There is some limited recent practice of anti-embarrassment provisions in receivables purchase agreements, primarily for non-performing bank loan receivables portfolios, whereby the parties may agree to share any residual profits resulting from collections exceeding the original estimates of the parties.

5 Security Issues

5.1 Back-up Security. Is it customary in your jurisdiction to take a "back-up" security interest over the seller's ownership interest in the receivables and the related security, in the event that an outright sale is deemed by a court (for whatever reason) not to have occurred and have been perfected (see question 4.9 above)?

The requirements of article 10 of Law 3156/2003 are clear and there has been substantial Greek market practice on securitisations for almost 19 years, without any court precedent of ineffective transfers of receivables.

For this reason, it is not customary to take a "back-up" security interest over the seller's ownership interest in the receivables and the related security. Due to the restrictions imposed because of the COVID-19 pandemic, there have been concerns about potential delays in the registration process; any concerns of this type are usually accommodated by a distinction between the transfer of the economic benefit to the purchaser (which is agreed to be made on the date intended by the parties) and the transfer of legal ownership to the purchaser (which is effected upon registration).

5.2 Seller Security. If it is customary to take back-up security, what are the formalities for the seller granting a security interest in receivables and related security under the laws of your jurisdiction, and for such security interest to be perfected?

Please refer to the last paragraph of our response to question 5.1 above.

5.3 Purchaser Security. If the purchaser grants security over all of its assets (including purchased receivables) in favour of the providers of its funding, what formalities must the purchaser comply with in your jurisdiction to grant and perfect a security interest in purchased receivables governed by the laws of your jurisdiction and the related security?

Pursuant to article 10 of Law 3156/2003 on securitisation of receivables, upon registration of the Greek law assignment agreement in the public books of the competent pledge register:

(a) the transfer of the receivables takes full effect against all persons; and

(b) at the same time, a pledge by operation of law is created in favour of the holders of the notes issued by the purchaser (and any other creditors of the securitisation transaction, such as back-up facility providers, hedge providers, the appointed servicer, the appointed trustee, the cash manager, the account banks, etc.) over the receivables and the collections for the receivables, which must paid into a segregated bank account maintained by the purchaser with a bank operating in Greece or in the European Economic Area and specifically designated as a special account of Law 3156/2003.

This creation and perfection of the pledge by operation of law of paragraph (b) above does not require any Greek law formality other than the registration of the assignment agreement in the public books of the competent pledge register.

5.4 Recognition. If the purchaser grants a security interest in receivables governed by the laws of your jurisdiction, and that security interest is valid and perfected under the laws of the purchaser's jurisdiction, will the security be treated as valid and perfected in your jurisdiction or must additional steps be taken in your jurisdiction?

Assuming that the registration of article 10 of Law 3156/2003 has been effected (please refer to our response to question 5.3 above), no additional steps will need to be taken in Greece for a security interest validly created and perfected in the purchaser's jurisdiction.

5.5 Additional Formalities. What additional or different requirements apply to security interests in or connected to insurance policies, promissory notes, mortgage loans, consumer loans or marketable debt securities?

As a matter of Greek law, the pledge by operation of law will apply to all types of receivables (together with their related security). Please refer to our response to question 5.3 above.

Negotiable instruments of various types will need to be held by a custodian (whether the appointed security trustee, or the appointed servicer, or any other appointed custodian, as the case may be).

Please also refer to the second paragraph of our response to question 4.3 above on the annotations of the public books of the competent land registers, cadastres or pledge registers in connection with any related security for the securitised receivables, the annotations of which are usually effected if enforcement against the relevant obligor becomes necessary.

5.6 Trusts. Does your jurisdiction recognise trusts? If not, is there a mechanism whereby collections received by the seller in respect of sold receivables can be held or be deemed to be held separate and apart from the seller's own assets (so that they are not part of the seller's insolvency estate) until turned over to the purchaser?

Under article 10 of Law 3156/2003:

(a) Collections for the receivables must be deposited into a segregated bank account maintained by the purchaser with a bank operating in Greece or in the European Economic Area, and such bank account must be specifically designated as a special account of Law 3156/2003. As discussed in our response to question 5.3 above, the pledge by operation of law secures the holders of the notes issued by the purchaser and any other creditors of the securitisation transaction.

(b) This specifically designated bank account is expressly protected in the event of insolvency of the account bank or of the appointed servicer.

Where, for practical reasons concerning the receivables, payments by obligors may need to continue to be made to the seller's designated account(s) and then swept to the purchaser's collection account, the parties will normally agree to specific requirements for such sweeps, in addition to the standard wrong pockets language.

In view that cash held by the seller in its own bank account(s) would, for Greek law purposes, form part of the seller's own assets, security can be created in the form of financial collateral over the relevant bank account(s) of the seller, as security for the obligation of the seller to effect such sweeps into the segregated account of the purchaser, in full and in a timely fashion. The financial collateral taker would normally be the appointed security trustee for the transaction.

5.7 Bank Accounts. Does your jurisdiction recognise escrow accounts? Can security be taken over a bank account located in your jurisdiction? If so, what is the typical method? Would courts in your jurisdiction recognise a foreign law grant of security taken over a bank account located in your jurisdiction?

Please refer to our response to question 5.6 above.

The collections account maintained by the purchaser under article 10 of Law 3156/2003 will be subject to the pledge by operation of law, as security for the benefit of the holders of the notes issued by the purchaser as well as for the other creditors of the securitisation transaction.

If there is a need for any collections to be first paid into the seller's bank account(s) and then swept to the collections account of the purchaser, the seller can create a security over its bank account(s) in the form of financial collateral (with the security trustee as collateral taker), by private agreement notified to the account bank maintaining the seller's account(s). For bank accounts maintained in Greece, the account banks would be expected to insist on a Greek law financial collateral under Law 3301/2004 (transposing into Greek law Directive 2002/47/EC of the European Parliament and of the Council of 6 June 2002 on financial collateral arrangements).

As a matter of Greek market practice, escrow accounts are not common in practice, primarily because of the special protection of the collection account of the purchaser (by virtue of the pledge by operation of law under article 10 of Law 3156/2003) and (where necessary) also because of the feasibility of a financial collateral arrangement over the seller's bank account(s).

5.8 Enforcement over Bank Accounts. If security over a bank account is possible and the secured party enforces that security, does the secured party control all cash flowing into the bank account from enforcement forward until the secured party is repaid in full, or are there limitations? If there are limitations, what are they?

The pledge by operation of law over the collections account maintained by the purchaser under article 10 of Law 3156/2003 is expressly protected from any seizures or attachments by third parties or any set-off rights by the relevant account bank, and also expressly protected in the event of insolvency of the account bank; furthermore, no other security interest can be created over that collections account. The way in which the collections account will be operated (including with respect to sweeps into any other account intended to be used for the distribution of available funds before or after amortisation of the notes issued by the purchaser) is regulated in the relevant account bank agreement between the purchaser, the security trustee, the appointed servicer and the relevant account bank; depending on the needs of the transaction, the cash manager may also be a party to the account bank agreement.

Where payments by obligors are for any reason first made into the seller's bank account(s) and financial collateral has been created over such bank account(s) (as security for the seller's obligation to sweep such payments to the collections account of the purchaser), the arrangements concerning any such bank account(s) of the seller will be set out in the financial collateral agreement and any relevant account bank agreement (or other transaction document concerning the obligations of the seller in connection with any collections paid into its own bank account(s)). The financial collateral can benefit from the efficiency and protections available under Law 3301/2004 (transposing, almost verbatim, into Greek law Directive 2002/47/EC of the European Parliament and of the Council of 6 June 2002 on financial collateral arrangements).

5.9 Use of Cash Bank Accounts. If security over a bank account is possible, can the owner of the account have access to the funds in the account prior to enforcement without affecting the security?

The owner can have access to the funds in the account without affecting the security, if so permitted by the account bank agreement (in respect of the collections account of the purchaser) or by the financial collateral agreement and the other transaction documents (in respect of any bank account(s) of the seller being subject to financial collateral). Please refer to our response to question 5.8 above.

6 Insolvency Laws

6.1 Stay of Action. If, after a sale of receivables that is otherwise perfected, the seller becomes subject to an insolvency proceeding, will your jurisdiction's insolvency laws automatically prohibit the purchaser from collecting, transferring or otherwise exercising ownership rights over the purchased receivables (a "stay of action")? If so, what generally is the length of that stay of action? Does the insolvency official have the ability to stay collection and enforcement actions until he determines that the sale is perfected? Would the answer be different if the purchaser is deemed to only be a secured party rather than the owner of the receivables?

If the seller becomes subject to any insolvency proceedings after the sale of the receivables is perfected by registration of the assignment agreement under article 10 of Law 3156/2003 (as discussed above), the receivables will not form part of the seller's insolvency estate and no stay of action can apply, prohibiting the purchaser from collecting, transferring or otherwise exercising ownership rights over the purchased receivables.

If there is any uncertainty as to whether the sale is perfected as above, evidence will need to be submitted to the insolvency official regarding registration of the assignment agreement and (in the event of any uncertainty as to the identification of the purchased receivables) such evidence as necessary for the purposes of such identification.

The answer would be different if the securitisation would not operate as a true sale of the receivables. In such a case, the purchaser could be found to only be a creditor secured over the receivables and, as a matter of Greek law, there are circumstances in which a stay of enforcement may apply to secured creditors in accordance with the legislation applicable to the insolvency proceedings in question.

6.2 Insolvency Official's Powers. If there is no stay of action, under what circumstances, if any, does the insolvency official have the power to prohibit the purchaser's exercise of its ownership rights over the receivables (by means of injunction, stay order or other action)?

Assuming that there will be no uncertainty as to the identification of the purchased receivables, the insolvency official does not have the power to prohibit the purchaser's exercise of its ownership rights over the receivables, whether by means of injunction, stay order or other action. It is therefore important for the assignment agreement to set out a clear and complete description of the purchased receivables.

6.3 Suspect Period (Clawback). Under what facts or circumstances could the insolvency official rescind or reverse transactions that took place during a "suspect" or "preference" period before the commencement of the seller's insolvency proceedings? What are the lengths of the "suspect" or "preference" periods in your jurisdiction for (a) transactions between unrelated parties, and (b) transactions between related parties? If the purchaser is majority-owned or controlled by the seller or an affiliate of the seller, does that render sales by the seller to the purchaser "related party transactions" for purposes of determining the length of the suspect period? If a parent company of the seller guarantee's the performance by the seller of its obligations under contracts with the purchaser, does that render sales by the seller to the purchaser "related party transactions" for purposes of determining the length of the suspect period?

Article 10 of Law 3156/2003 expressly protects the effect of the sale and transfer of the receivables in the event of any insolvency proceedings opened in respect of the seller after registration of the assignment agreement.

Where the transaction would have been entered into by the seller to the detriment of its creditors, with the purchaser being aware of the circumstances, it is doubtful whether that protection would still be available to the purchaser. It is a factual matter whether the purchaser would be found to be aware of the circumstances and of the seller's intention to act to the detriment of its creditors.

If the purchaser and the seller would be related parties, there would normally be a presumption of knowledge on the part of the purchaser (on the basis that affiliates are normally aware of the financial condition of another affiliate). It is also conceivable, depending on the facts of the case, that a purchaser not being an affiliate of the seller might still be aware of the circumstances and of the seller's intention to enter into a transaction detrimental to its creditors.

The suspect period in such cases would be up to five years before declaration of bankruptcy in respect of the seller.

6.4 Substantive Consolidation. Under what facts or circumstances, if any, could the insolvency official consolidate the assets and liabilities of the purchaser with those of the seller or its affiliates in the insolvency proceeding? If the purchaser is owned by the seller or by an affiliate of the seller, does that affect the consolidation analysis?

There is no Greek precedent of lifting the corporate veil of a purchaser to consolidate assets and liabilities of the purchaser with those of the seller or its affiliates in insolvency proceedings in respect of the seller.

As a matter of Greek law, lifting of the corporate veil has been applied in exceptional cases (outside the scope of securitisation), involving entities fully owned and controlled by their shareholders and artificially operating as separate legal entities.

6.5 Effect of Insolvency on Receivables Sales. If insolvency proceedings are commenced against the seller in your jurisdiction, what effect do those proceedings have on (a) sales of receivables that would otherwise occur after the commencement of such proceedings, or (b) sales of receivables that only come into existence after the commencement of such proceedings?

Sales of receivables that would otherwise occur after the commencement of insolvency proceedings would not and should not proceed.

Concluded sales of identified future receivables that only come into existence after the commencement of such proceedings would not be affected.

6.6 Effect of Limited Recourse Provisions. If a debtor's contract contains a limited recourse provision (see question 7.4 below), can the debtor nevertheless be declared insolvent on the grounds that it cannot pay its debts as they become due?

Special purpose companies as purchasers in securitisation transactions in the Greek market are not Greek companies. They are usually incorporated in Ireland or Luxembourg and grant standard warranties and undertakings that they have (and will have) no place of business or establishment in Greece and that the centre of their main interests is (and will remain) in the country of their incorporation.

On this basis, main insolvency proceedings in respect of purchasers will be governed by the law of the jurisdiction of the centre of their main interests and the competent courts will be the courts of the jurisdiction of the centre of their main interests. Therefore, a Greek court would not declare insolvency in respect of the purchaser, with the exception only of any secondary insolvency proceedings that may be taken in Greece after declaration of insolvency in the jurisdiction of the centre of main interests of the purchaser.

7 Special Rules

7.1 Securitisation Law. Is there a special securitisation law (and/or special provisions in other laws) in your jurisdiction establishing a legal framework for securitisation transactions? If so, what are the basics? Is there a regulatory authority responsible for regulating securitisation transactions in your jurisdiction? Does your jurisdiction define what type of transaction constitutes a securitisation?

As discussed above, articles 10 and 14 of Law 3156/2003 apply to securitisation of business receivables.

Article 10 of Law 3156/2003 sets out the criteria that need to be met in order for a transaction to qualify as a securitisation transaction:

(a) securitisation is the transfer by way of sale (and not by way of security) of business receivables (including receivables owing by consumers, and in each case whether

actual, future or contingent and together with any accessory or ancillary rights), effected by written agreement between the seller and transferor and the purchaser and transferee, in combination with the issue and offer by the purchaser and transferee (by private placement only to up to 150 investors) of any type of notes, the repayment of which is to be effected out of the proceeds of: (i) the transferred receivables; or (ii) loan or credit facilities or derivatives transactions; and

(b) the seller and transferor must be a business undertaking resident in Greece or acting through a permanent establishment in Greece and the purchaser and transferee must be a special purpose Greek or foreign company, whose corporate objects must exclusively consist in the acquisition of such business receivables for securitisation purposes and the carrying on of activities ancillary thereto.

Furthermore, article 10 of Law 3156/2003 includes express requirements concerning:

(a) the registration of the assignment agreement in the public books of the competent pledge register, whereupon: (1) the transfer of the receivables takes effect as against all parties; and (2) a pledge by operation of law is created over the receivables and the specifically designated collections account of the purchaser, in favour of the holders of the notes issued by the purchaser and any other secured creditors for the securitisation transaction;

(b) the effect of the registration as a deemed notification to the debtors of the receivables; and

(c) the appointment of a servicer to service the receivables (the appointment of which must also be registered in the public books of the competent pledge register), as well as express provisions on the protection of the transaction in the event of insolvency proceedings in respect of the seller, and the servicer or the account bank maintaining the collections account of the purchaser (which provisions have been discussed above).

Article 14 of Law 3156/2003 is relevant to tax and duty exemptions applicable to securitisation transactions, as well as mitigations of registration duties and notarial duties.

7.2 Securitisation Entities. Does your jurisdiction have laws specifically providing for establishment of special purpose entities for securitisation? If so, what does the law provide as to: (a) requirements for establishment and management of such an entity; (b) legal attributes and benefits of the entity; and (c) any specific requirements as to the status of directors or shareholders?

Article 10 of Law 3156/2003 includes provisions applicable to a Greek special purpose entity as purchaser of securitised receivables (which are limited to an exclusive corporate purpose requirement and a requirement that its shares be registered shares), while article 14 of Law 3156/2003 includes certain tax provisions concerning a Greek special purpose entity. To our knowledge, in all securitisation transactions in the Greek market, the purchasers have been foreign special purpose companies (incorporated mostly in Ireland or Luxembourg).

The purchaser must not be owned or controlled by the seller (whether through holdings of shares or control of the management), both for accounting reasons (consolidation implications) and also for legal and regulatory reasons (including under Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No. 648/2012, and Regulation (EU) No. 2017/2402 of the European Parliament and of the Council of 12 December 2017 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation, and amending Directives 2009/65/EC, 2009/138/EC and 2011/61/EU and Regulations (EC) No. 1060/2009 and (EU) No. 648/2012).

7.3 Location and form of Securitisation Entities. Is it typical to establish the special purpose entity in your jurisdiction or offshore? If in your jurisdiction, what are the advantages to locating the special purpose entity in your jurisdiction? If offshore, where are special purpose entities typically located for securitisations in your jurisdiction? What are the forms that the special purpose entity would normally take in your jurisdiction and how would such entity usually be owned?

To our knowledge, all securitisation transactions in the Greek market have been concluded with a purchaser being a foreign special purpose company (mostly incorporated in Ireland or Luxembourg).

7.4 Limited-Recourse Clause. Will a court in your jurisdiction give effect to a contractual provision in an agreement (even if that agreement's governing law is the law of another country) limiting the recourse of parties to that agreement to the available assets of the relevant debtor, and providing that to the extent of any shortfall the debt of the relevant debtor is extinguished?

A Greek court would give effect to such contractual provisions, which are standard in respect of special purpose companies being purchasers of receivables in securitisation transactions. Please also refer to our response to question 6.6 above.

7.5 Non-Petition Clause. Will a court in your jurisdiction give effect to a contractual provision in an agreement (even if that agreement's governing law is the law of another country) prohibiting the parties from: (a) taking legal action against the purchaser or another person; or (b) commencing an insolvency proceeding against the purchaser or another person?

Yes, please also refer to our responses to questions 7.4 and 6.6 above.

7.6 Priority of Payments "Waterfall". Will a court in your jurisdiction give effect to a contractual provision in an agreement (even if that agreement's governing law is the law of another country) distributing payments to parties in a certain order specified in the contract?

Yes, a Greek court will give effect to contractual provisions of this type, which are standard in securitisation transactions in the Greek market.

It is worth noting that Law 4649/2018 on the Hercules Scheme (discussed in our response to question 8.7 below) prescribes the priority of payments under securitisation transactions intended to be guaranteed under the Hercules Scheme.

7.7 Independent Director. Will a court in your jurisdiction give effect to a contractual provision in an agreement (even if that agreement's governing law is the law of another country) or a provision in a party's organisational documents prohibiting the directors from taking specified actions (including commencing an insolvency proceeding) without the affirmative vote of an independent director?

Yes, please refer to our responses to questions 7.4, 7.5 and 6.6 above.

7.8 Location of Purchaser. Is it typical to establish the purchaser in your jurisdiction or offshore? If in your jurisdiction, what are the advantages to locating the purchaser in your jurisdiction? If offshore, where are purchasers typically located for securitisations in your jurisdiction?

Please refer to our response to question 7.3 above.

8 Regulatory Issues

8.1 Required Authorisations, etc. Assuming that the purchaser does no other business in your jurisdiction, will its purchase and ownership or its collection and enforcement of receivables result in its being required to qualify to do business or to obtain any licence or its being subject to regulation as a financial institution in your jurisdiction? Does the answer to the preceding question change if the purchaser does business with more than one seller in your jurisdiction?

Neither the purchase and ownership of the receivables nor the collection and enforcement of the receivables by the purchaser will result in the purchaser being required to qualify to do business or to obtain any licence or to be subject to regulation as a financial institution in Greece.

It makes no difference if the purchaser would do business with more than one seller in Greece.

8.2 Servicing. Does the seller require any licences, etc., in order to continue to enforce and collect receivables following their sale to the purchaser, including to appear before a court? Does a third-party replacement servicer require any licences, etc., in order to enforce and collect sold receivables?

Any of the following parties qualify to be appointed as servicers in respect of the purchased receivables:

(a) the seller;
(b) an entity already servicing the receivables before their transfer to the purchaser;
(c) a credit or financial institution operating in the European Economic Area;
(d) an entity having guaranteed repayment of the receivables; or
(e) in respect of receivables originated by credit or financial institutions or receivables from electricity supply agreements, a licensed servicing company under Law 5072/2023 (which replaced the previously applicable Law 4354/2015).

The servicer is appointed by written agreement between the purchaser and the servicer (and, normally, also by the security trustee). If the receivables are owing by consumers, the servicer must have a permanent establishment in Greece.

Please also refer to question 8.7 below on Law 5072/2023 on credit servicers and credit purchasers.

The servicing agreement is registered in the public books of the competent pledge register, so that two registrations are normally made at completion of the receivables purchase agreement, one registration for the assignment agreement for the transfer of the receivables to the purchaser and one more registration for the appointment of the servicer.

If the servicer is replaced, a new servicing agreement will need to be entered into and will need to be registered in the same manner as the original servicing agreement.

8.3 Data Protection. Does your jurisdiction have laws restricting the use or dissemination of data about or provided by obligors? If so, do these laws apply only to consumer obligors or also to enterprises?

Article 10 of Law 3156/2003 provides that no prior consent of the obligors is required in order for the personal data of obligors to be processed as necessary for the purposes of the transactions, or in order for information that would otherwise be subject to bank confidentiality to be transmitted.

This provision (introduced back in 2003) should not be read as releasing from the obligations imposed by the GDPR in connection with the processing of personal data. Please see our response to question 4.4 above.

8.4 Consumer Protection. If the obligors are consumers, will the purchaser (including a bank acting as purchaser) be required to comply with any consumer protection law of your jurisdiction? Briefly, what is required?

Under article 10 of Law 3156/2003, the transfer of the receivables does not affect the substantive, procedural or tax treatment of the receivables as applied before the transfer.

In practical terms, the rights and obligations of the obligors in accordance with the contract underlying the receivables and the applicable law (including consumer protection law) will continue to apply. The appointed servicer will need to service the receivables with due regard to the above. The servicing agreement normally includes provisions on the most material legal and regulatory requirements that are relevant to the receivables and the servicer is required to comply with those requirements.

8.5 Currency Restrictions. Does your jurisdiction have laws restricting the exchange of your jurisdiction's currency for other currencies or the making of payments in your jurisdiction's currency to persons outside the country?

No such restrictions apply. The capital control restrictions imposed in the summer of 2015 were lifted in September 2017.

8.6 Risk Retention. Does your jurisdiction have laws or regulations relating to "risk retention"? How are securitisation transactions in your jurisdiction usually structured to satisfy those risk retention requirements?

The European Union legal framework on securitisation transactions also applies to securitisation transactions in the Greek market, including Regulation (EU) No. 575/2013 of the

European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No. 648/2012, and Regulation (EU) No. 2017/2402 of the European Parliament and of the Council of 12 December 2017 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation, and amending Directives 2009/65/EC, 2009/138/EC and 2011/61/EU and Regulations (EC) No. 1060/2009 and (EU) No. 648/2012).

Following the introduction of risk retention requirements, sellers of securitised receivables in the Greek market undertake to always hold at least 5% of all notes outstanding under the transaction at the relevant time (and, therefore, 5% of each class of notes outstanding).

8.7 Regulatory Developments. Have there been any regulatory developments in your jurisdiction which are likely to have a material impact on securitisation transactions in your jurisdiction?

Law 4649/2019, effective from 2019 and amended in 2020, 2021 and 2023, which was passed (and amended) with the approval of the European Commission (Initial Decision dated 10 October 2019 C (2019) 7309, Extension Decision dated 9 April 2021 C (2021) 2545 and Reintroducing Decision dated 28 November 2023 C (2023) 8034) and the ECB, has introduced (and reintroduced) the Hercules Scheme for the guarantee of the Hellenic Republic for notes issued in the context of securitisation transactions originated by credit institutions, with a view to the reduction of their non-performing exposures (that were accumulated during and as a result of the Greek crisis).

Law 4649/2019 sets out the terms and conditions under which the Greek State may guarantee the senior tranche of asset-backed securities (ABS) issued by a special purpose company (the Issuer) and backed by securitised receivables purchased and acquired by the Issuer and originated by Greek credit institutions or subsidiaries of foreign credit institutions established in Greece (the Receivables). The transactions falling within the scope of Law 4649/2019 are otherwise regulated by article 10 of Law 3156/2003 (which generally applies to securitisation transactions).

The Hercules Scheme (as reintroduced by Law 5072/2023 amending Law 4649/2019 further to the Decision of the European Commission dated 28 November 2023 C (2023) 8034) was made available for guarantees by the Greek State up to the aggregate amount of €2billion (as that amount may be increased with the prior approval of the European Commission), if the request for the granting of the Greek State guarantee was submitted until 31 December 2024.

Several transactions for very large portfolios of bank loan and credit receivables have been concluded or are in the course of being concluded by Greek systemic banks under the scheme introduced by Law 4649/2019. The Hercules Scheme has further accelerated the reduction of the non-performing exposures of the Greek banks by enabling the Greek banks to more efficiently and expediently dispose of large legacy portfolios.

Another interesting development is the passing of Law 5072/2023 (effective from 4 December 2023), which (among others) transposes into Greek law Directive (EU) 2021/2167 of the European Parliament and of the Council dated 24 November 2021 on credit servicers and credit purchasers and amending Directives 2008/48/EC and 2014/17/EU.

Pursuant to Law 5072/2023, the servicing of receivables from loan and credit facilities granted by credit or financial institutions must be undertaken exclusively by credit servicers being: (a) servicing companies originally licensed by the Bank of Greece under the previous regime of Law 4354/2014, provided their licence has been renewed under Law 5072/2023; (b) servicing companies licensed by the Bank of Greece in accordance with article 8 of Greek Law 5072/2023; or (c) solely for the servicing of non-performing credit receivables and subject to prior notification to the Bank of Greece, credit servicers having their registered offices in another Member State and licensed by the competent authority of that Member State.

Law 5072/2023 also provides that the licence of the Bank of Greece may (subject to certain additional criteria being met) also allow a credit servicer to refinance loan or credit receivables serviced by the credit servicer or another credit servicer.

Article 115 of Law 5072/2023 provides that a licensed credit servicer is fully empowered (in the capacity of a non-beneficiary litigant) to conduct court and enforcement proceedings in the name and on behalf of a credit purchaser. This provision is in line with Judgment 1/2023 (plenary session) of the Greek Supreme Court (*Areios Pagos*), which held that a licensed servicing company acting as servicer of a securitised portfolio of loan or credit receivables originated by a credit or financial institution is fully empowered (in the capacity of a non-beneficiary litigant) to conduct court and enforcement proceedings in the name and on behalf of the securitisation special purpose company that is the owner of the securitised portfolio. Both article 115 of Law 5072/2023 and Judgment 1/2023 of the Greek Supreme Court are most important to ensure efficient court and enforcement proceedings for securitised receivables of credit and financial institutions, including under the Hercules Scheme.

The newly enacted Law 5123/2024 (Law 5123) introduced a single electronic pledge register, which will replace the current local pledge registers and will be managed by the Hellenic Cadastre, a public law entity. Law 5123:

(a) includes an authorisation to the board of directors of the Hellenic Cadastre to pass an implementing decision (the Law 5123 Implementing Decision) for the determination of (i) the activation date of the register, and (ii) other details in relation to the operation of the register;
(b) provides that the provisions of Law 5123 would come into effect upon on the earlier of: (i) the publication date of the Law 5123 Implementing Decision; or (ii) 31 December 2024; and
(c) further provides that a joint decision of the Minister of Justice and the Minister of Digital Governance could amend the effective date as per item (b) above.

Pursuant to Joint Ministerial Decision No. 41802/2024, the effective date of the relevant provisions (Part B) of Law 5123 has been postponed to 30 June 2025.

9 Taxation

9.1 Withholding Taxes. Will any part of payments on receivables by the obligors to the seller or the purchaser be subject to withholding taxes in your jurisdiction? Does the answer depend on the nature of the receivables, whether they bear interest, their term to maturity, or where the seller or the purchaser is located? In the case of a sale of trade receivables at a discount, is there a risk that the discount will be recharacterised in whole or in part as interest? In the case of a sale of trade receivables where a portion of the purchase price is payable upon collection of the receivable, is there a risk that the deferred purchase price will be recharacterised in whole or in part as interest? If withholding taxes might apply, what are the typical methods for eliminating or reducing withholding taxes?

The tax treatment of the receivables (including with respect to

withholding taxes) must be examined, taking into account the nature of the receivables (including as to whether they bear interest), the tax residence of the purchaser and any specific exemptions that may be relevant after the transfer of the receivables to the purchaser.

Where a portion of the purchase price is deferred, it is normally unlikely (subject to examining the overall transaction structure) that the deferred portion would be recharacterised as interest.

Any applicable withholding taxes need to be assessed during the structuring phase, in order for the parties to take this assessment into account in the selection of the jurisdiction of incorporation of the purchaser.

9.2 Seller Tax Accounting. Does your jurisdiction require that a specific accounting policy is adopted for tax purposes by the seller or purchaser in the context of a securitisation?

The seller will need to adopt the accounting policy that applies to it (usually International Financial Reporting Standards for sellers involved in a securitisation transaction).

The purchaser will adopt the accounting policy applicable to it, in accordance with the accounting principles that apply to the purchaser.

9.3 Stamp Duty, etc. Does your jurisdiction impose stamp duty or other transfer or documentary taxes on sales of receivables?

The provisions of Greek law on stamp duty have been abolished by Law 5135/2024, which introduced the digital transaction duty (with effect from transactions and agreements concluded from 1 December 2024). Neither stamp duty nor digital transaction duty applies to securitisation transactions, because article 14 of Law 3156/2003 expressly provides for an exemption from stamp duty and any other duty (other than the registration duty referred to below).

No transfer or documentary taxes apply, other than a minimal registration duty (€100 for each registration made for the securitisation transaction, thus €200 in aggregate for the registration of the assignment agreement for a securitised portfolio and the registration of the appointment of the servicer for that portfolio).

If any part of the receivables is re-assigned to the seller or if a servicer needs to be replaced, €100 will need to be paid as the registration duty for each such registration.

The same €100 registration duty will be payable for each annotation that may need to be made in the public books of the competent land registers or cadastres in respect of mortgages to be enforced against the relevant obligors.

9.4 Value-Added Taxes. Does your jurisdiction impose value-added tax, sales tax or other similar taxes on sales of goods or services, on sales of receivables or on fees for collection agent services?

No value-added tax will apply to the sale of the receivables. Value-added tax will apply to fees payable to the servicer or to other service providers involved in the securitisation transaction.

Specifically for loan or credit receivables originated by credit or financial institutions, a levy at the rate of 0.6% *p.a.* (or 0.12%, depending on the type of the receivables) may be payable on the amount outstanding under the receivables from time to time (also after their sale and transfer to the purchaser), unless interest under the facility remains unpaid for more than six months. The cost of this levy is normally borne by the borrowers of the receivables in accordance with the underlying loan or credit contract, so it does not present a cost to the transaction where the obligors effect payment under the securitised loan or credit receivable.

9.5 Purchaser Liability. If the seller is required to pay value-added tax, stamp duty or other taxes upon the sale of receivables (or on the sale of goods or services that give rise to the receivables) and the seller does not pay, then will the taxing authority be able to make claims for the unpaid tax against the purchaser or against the sold receivables or collections?

The levy referred to in the response to question 9.4 above (if applicable to the relevant receivables) will need to be paid to the Greek authority by the appointed servicer.

Pending recovery of the levy from the borrowers, the servicer will need to be reimbursed by the purchaser, together with any other costs incurred by the servicer for the receivables. The servicing agreement will normally include provisions on the levy.

9.6 Doing Business. Assuming that the purchaser conducts no other business in your jurisdiction, would the purchaser's purchase of the receivables, its appointment of the seller as its servicer and collection agent, or its enforcement of the receivables against the obligors, make it liable to tax in your jurisdiction?

Assuming that the purchaser will have no permanent establishment in Greece (by reason of a fixed place of business in Greece) and that, under the servicing agreement, the servicer will act as an independent service provider and not as a general agent of the purchaser, the purchaser will not be liable to tax in Greece.

9.7 Taxable Income. If a purchaser located in your jurisdiction receives debt relief as the result of a limited recourse clause (see question 7.4 above), is that debt relief liable to tax in your jurisdiction?

No, it is not.



Athanasia Tsene is a leading expert in banking & finance, with vast experience in structuring, drafting, negotiating and advising on the feasibility and implementation of international financial transactions, including on security and hedging arrangements. Athanasia has acted in innovative and groundbreaking deals that have paved the way for future transactions in the banking sector. Her broad practice encompasses secured and unsecured corporate, asset, acquisition and structured financings and an expertise in securitisations. She has also been involved in most transactions for the sale, transfer and servicing of non-performing loan portfolios of the Greek banks. She has extensively advised funds and credit and financial institutions on regulatory compliance in the context of all the above transactions, as well as on financial restructurings and insolvency proceedings. She joined the Firm in 2001 and her clients include all major banks and financial institutions that are active in the Greek market. Athanasia holds a Degree in Law from the National & Kapodistrian University of Athens and an LL.M. in European Internal Market, Comparative Conflict of Laws, Law of Restitution and Jurisprudence and Legal Theory from the University of London (External Programme). She is admitted to the Athens Bar (1989) and the Supreme Court of Greece (1997).

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