

BANKING, FINANCE & CAPITAL MARKETS BRIEFING: Special Edition -
Vol.2

Latest Developments in Banking and Capital Markets Sector: Urgent Measures Relating to the Covid-19 Pandemic

This Briefing provides an overview of Covid-19 pandemic emergency measures relating to the Banking and Capital Markets Sector

In This Issue

- A. Working Capital Loans with a Full Two-Year Interest Subsidy Granted by the Hellenic Development Bank**
- B. Extension of Payment of 40% of Rent for Commercial Leases and Financial Leasing Agreements**
- C. Extension of Suspension of Deadlines for the Expiration, Presentation and Payment of Securities**
- D. Re-opening of the Courts and Land Registers, Pledge Registers and Cadastres**
- E. Notification of Net Short Positions**

A. Working Capital Loans with a Full Two-Year Interest Subsidy Granted by The Hellenic Development Bank

On 28 April 2020 the Hellenic Development Bank (HDB) announced a scheme of working capital loans by credit institutions, with fully subsidised interest for two years, for businesses affected by Covid-19. In particular:

1. Beneficiaries

Business undertakings operating in sectors included in the list of severely affected business sectors due to the Covid-19 outbreak may apply for the subsidy provided that:

- a. they will employ for the first two years of the duration of the loan facility a number of employees at least equal to those employed on 19 March 2020; and
- b. at the time of the drawdown of the amount of the subsidised interest owed under a loan, they are not in default under such loan.

2. Application Procedure

The application is submitted electronically through SAIS. Each eligible business must choose in the application the credit institution to grant the loan. The loan facility covers those costs related to the operating costs of the eligible business (excluding VAT).

3. Loan Duration

The duration of the loan facility may range from 24 to 60 months as of the drawdown of the loan, while

BERNITSAS briefing

a grace period of 6 to 12 months, during which only the interest is payable is provided.

4. Interest

The interest on the eligible loans will be subsidised by 100% for the first two years of the loan facility. During this period the interest rate is fixed and cannot exceed 8%. The levy of law 128/1975 and any default interests are excluded from the interest subsidy. The amount of the subsidy will come from the funds of the Entrepreneurship Fund (ΤΕΠΙΧ ΙΙ) of the HDB. Details regarding the above subsidy scheme are available through the HDB [site](http://www.etean.com.gr/PublicPages/CurrentProgram.aspx?ID=100) (www.etean.com.gr/PublicPages/CurrentProgram.aspx?ID=100).

B. Extension of Payment of 40% of Rent for Commercial Leases and Financial Leasing Agreements

Law 4690/2020 (Official Government Gazette 104/A, Article 4) introduced an extension for the payment of 40% of rents for March, April and May 2020 for commercial leases for business establishments and financial leasing agreements for business purposes. The outstanding 40% of the rent must be paid in up to 12 monthly instalments for financial leasing agreements of immovable property and up to 6 monthly instalments for financial leasing agreements of movable property in accordance with restructuring agreements entered into by the leasing companies.

C. Extension of Suspension of Deadlines for the Expiration, Presentation and Payment of Securities

Law 4690/2020 (Official Government Gazette 104/A, Article 38) provides for the extension of the suspension for deadlines concerning the expiration, presentation and payment of securities (i.e. cheques, bills of exchange and promissory notes), electronically notified to the banks by the persons having a right or an obligation under those securities by 60 days. The measure applies to business undertakings operating in

tourism. Further, for holders of cheques not included in the list of affected businesses, the deadline for the payment of established debt and VAT due is extended until 30 September 2020, provided that the amount of the cheques suspended exceeds 20% of their average monthly turnover for 2019.

D. Re-opening of the Courts and Land Registers, Pledge Registers and Cadastres

Under Joint Ministerial Decision 33202/2020 dated 28 May 2020, the suspension of operation of the Courts has been lifted. Therefore, commencing from 1 June 2020, Courts have resumed operations, except that criminal courts operate only for urgent proceedings.

Under Joint Ministerial Decision 33466/2020 dated 31 May 2020, land registers, pledge registers and cadastres have resumed their operations in full commencing from 1 June 2020.

E. Notification of Net Short Positions

1. On 10 June 2020, the European Securities and Markets Authority (ESMA) renewed its preceding Decision (EU) 2020/525 which was originally adopted on 16 March 2020 and required natural or legal persons with net short positions in relation to the issued share capital of companies whose shares are admitted to trading on a regulated market¹, to notify the competent NCA's details of any such position reaching, exceeding or falling below 0.1% of the issued share capital.
2. This new Decision, which comes as a response to the serious adverse economic effects of the Covid-19 pandemic, enters into force on 17 June 2020 and shall apply for a period of three months.
3. The Decision applies to any natural or legal persons irrespective of their country of residence. However, the aforementioned temporary transparency obligations do not apply to:
 - a. shares admitted to trading on a regulated market where the principal venue for the

¹ A 'regulated market' means a regulated market as referred to in Article 4(1)(21) of Directive 2014/65/EU (the "MiFID II") and, accordingly, in Article 4 (21) of Greek Law 4514/2018 transposing MiFID II.

BERNITSAS briefing

- trading of the shares is located in a third country;
 - b. transactions performed due to market making activities; and
 - c. stabilisation activities performed under Article 5 of Regulation (EU) No 596/2014 on market abuse.
4. The full text of the Decision is available [here](#).

Contacts



Nikos Papachristopoulos
Partner
E npapachristopoulos@bernitsaslaw.com



Athanasia Tsene
Partner
E atsene@bernitsaslaw.com

This Briefing is intended to provide general information and is not meant to constitute a comprehensive analysis of the matters set out herein or to be relied upon as legal advice. It is not meant to create a lawyer-client relationship. Legal and other professional advice should be sought before applying any of the information in this Briefing to a specific situation.

Bernitsas Law Firm is a partnership of attorneys regulated by Presidential Decree 81/2005 and Law 4194/2013, as currently in force, with its registered address at 5 Lykavittou Street, Athens 106 72, Greece.

If you no longer wish to receive Briefings from us, please click here to [Unsubscribe](#)