I. INTRODUCTION

In compliance with the obligations accruing out of European Union requirements, Greece has fully liberalized, in due course, the movements of capital both between Member States and third countries.

Recently, due to an important and persisting financial crisis, Greece has recently enacted Legislative Acts setting forth capital controls and related Ministerial Decisions issued by the Minister of Finance based on delegation of authority granted by the Legislative Acts in question.

There are up to now five (5) Legislative Acts listed below regulating capital controls and several Ministerial Decisions, among which the three most important are contained in the following list as well.

acts of compulsory enforcement and payment of guarantees and administrative vouchers for fees of any kind.


6. Legislative Act dated July 31, 2015 re: “Modifications of the Legislative Acts dated June 28, 2015, July 14, 2015 and July 18, 2015 and urgent regulations for securities and for supporting the negotiation of the Greek Government with the European Stability Mechanism (ESM), the European Commission (EC), the European Central Bank (ECB) and the International Monetary Fund (IMF)”.


II. THE MEASURES OF CAPITAL CONTROLS DURING THE BANK VACATION

1. By virtue of article 1 of Legislative Act dated June, 28, 2015, Bank vacation from June 28 to July 6, 2015 was declared. The Bank vacation applied to all Credit Institutions operating in Greece under any legal form, including the Branches of foreign Credit Institutions, the Deposits and Loans Fund, the Payment Institutions and the electronic money Institutions, as well as the agents of Payment Institutions and electronic money Institutions having their seat in other Member States of the European Union and legally operating in Greece (hereinafter the Institutions).

The above Legislative Act provided also that the duration of the Bank vacation can be reduced or extended by means of a Decision of the Minister of Finance, that
during the Bank vacation, the Institutions shall remain closed for the public and that access to them is allowed only to the personnel being necessary for the implementation of said Legislative Act and the preparation of the new start up of the operations with the public after the end of the Bank vacation.

Further, Legislative Act dated June 28, 2015 provided that the payment of pensions is exempted from the restrictions set forth by it and that the Credit Institutions would announce the way of payment of the pensions and their Branches which would be opened to this end.

Legislative Act dated June 30, 2015 confirmed that the payment of pensions was exempted from the restrictions provided for by Legislative Act dated June 28, 2015 and provided that the amount, which the pensioners would be allowed to withdraw would be fixed by means of a Decision of the Minister of Finance. It also provided that, by a Decision of the above Minister, vulnerable social groups could be exempted from the application of the restrictions set forth by Legislative Act dated June 28, 2015.

By means of an Announcement of the Ministry of Finance done following a meeting he had on June 30, 2015 with the representatives of the five largest Banks, pensioners not having Automated Teller Machine (ATM) cards were allowed to withdraw in cash an amount of 120 euros from the counters of the 1,000 Branches of the Banks, which would open to this end and which actually opened on July 1, 2015 exclusively for remittances to pensioners, as above.

From their side, the Banks undertook the obligation to issue immediately debit cards to the pensioners wishing to obtain such cards, in order to facilitate them in doing transactions at the stores and other sales points and also to withdraw 60 euros per day from ATMs.

2. In paragraph 2 of its article 2, Legislative Act dated June 28, 2015 set forth the transactions which were allowed during the Bank vacation, being the following:
   - Withdrawals of cash from Automated Teller Machines (ATM) up to sixty (60) euros per day and per card, the Minister of Finance having been delegated to modify the above limit by means of a Decision of his.
   - Unlimited transactions by means of credit and debit cards for payments inland, i.e. for payments to the credit of accounts opened in Greece.
Payments by means of pre-paid cards, but only up to the amount of the balance of the relevant account available before the Bank vacation. To be noted that no new pre-paid cards could be issued.

Distance banking transactions (e-banking, web banking or phone banking) for payments inside the country i.e. for payments to the credit of an account opened in Greece.

Withdrawals of cash from Automated Teller Machines (ATM), by means of cards issued abroad. Restrictions to the amounts allowed to be withdrawn by means of said cards could be determined by Decision of the Minister of Finance.

3. By means of Legislative Act dated June 30, 2015, four other categories of transactions were added to those provided in paragraph 2 of article 1 of Legislative Act dated June 28, 2015, being the following:

- Acceptance of deposits in Automated Teller Machines (ATM), as well as deposits in general at Departments of the Credit Institutions.
- Issue of new credit and debit cards.
- Execution of payments to bank accounts within the country, by means of a central order (not electronic) to the competent Department of a Credit Institution in order to allow, for example, payment of salaries.

4. Further, Decision 2251 dated July 3, 2015 of the Minister of Finance has added three other categories of transactions permitted during the Bank vacation, besides those already provided by Legislative Act dated June 28, 2015 as amended by Legislative Act dated June 30, 2015, being the following:

i. conversion once of foreign currency up to an amount equivalent to 120 euros and withdrawal of it by pensioners receiving their pension in foreign currency from a foreign Social Security Fund.

ii. opening of an account for the payment of salaries.

iii. acceptance of applications for the installation of terminal appliances for the clearance of transactions done by means of credit and debit cards (POS).
5. By virtue of the above Ministerial Decision, Credit Institutions not having the technical capability to issue credit and debit cards, as well as the Deposits and Loans Fund were allowed to perform the following Bank transactions:

a. remittance once of an amount of 120 euros to beneficiaries of accounts opened with them.

b. The daily remittance of an amount of 60 euros to the same beneficiaries, after the remittance of 120 euros as above.

6. By means of a Decision of the Minister of Finance dated July 6, 2015, the duration of the Bank vacation was extended up to July 8, 2015 and by means of a Decision dated July 8, 2015 of the Minister of Finance the duration of the Bank vacation was extended again up to July 13, 2015.

The second above mentioned Ministerial Decision provided also that, in addition to the transactions mentioned in paragraph 2 of the first article of Legislative Act dated June 28, 2015 as amended by Legislative Act dated June 30, 2015, the Branches of the Banks opened as above were authorized to perform the following acts:

a. Conversion into euros, upon request of the beneficiary, of the amount of a pension paid in foreign currency by a foreign Social Security Fund, transfer of said amount to another account of the same beneficiary and withdrawal by him only once of an amount of 120 euros.

b. Payment once of the total amount of a pension of 120 euros and
c. Payment once of a total amount of 120 euros to unemployed persons as provided in a Decision of the Minister of Finance dated July 2, 2015, as exposed below.

7. The exemption of vulnerable social groups has been enacted actually, by means of Decision 2775 of the Minister of Finance dated July 10, 2015 providing that an amount of 60 euros per day could be paid by the Credit Institutions to persons with special needs having a disability of more than 67% and not being pensioners and also once an amount of 120 euros could be paid to any beneficiary of subsidies being a person with special needs.
Thus, the above persons could go to the Branches of Banks, which were opened to this end and collect the amounts mentioned above, without having to go to ATMs which would be, not only more difficult for them practically speaking, but impossible if they had no ATM cards.

8. Paragraph 3 of the first article of Legislative Act dated June 28, 2015, provided that the restrictions of paragraph 2 do not apply to the following:

a. Transactions with the Bank of Greece.

b. Transborder orders for payments exclusively to the credit of a bank account opened with a Credit Institution operating in Greece.

c. Clearance of transactions recorded in the relevant Central Payment Centers (TARGET2-GR, EUROS, DIAS (Interbanking System)) and Settlement Central Centers such as, indicatively, the Central Securities Depository of Athens and the System for Monitoring Transactions in Book-entry Securities/Dematerialized Titles, before the enactment of Legislative Act dated June 28, 2015.

d. Specific transactions, considered to be necessary according to a Decision of the Commission of Approval of Bank Transactions provided in paragraph 4 of the above Legislative Act (see next paragraph), such as medical expenses and expenses for the importation of pharmaceutical products.

e. Transactions of the Hellenic Republic.

9. Legislative Act dated June 28, 2015 provided the formation, at the State General Accounting Office, of a Commission for the approval of Bank Transactions during the Bank vacation. Said Commission was to be composed of five Members, initially. The relevant dispositions have been modified several times to provide now that the above Commission is formed at the Secretariat General of Financial Policy of the Ministry of Finance, that it has competence to approve specific categories of transactions not specifically provided in the various Legislative Acts and that said Commission is composed of six Members, being:

a. the Secretary General of Financial Policy (of the Ministry of Finance) as Chairman, with Deputies, by priority order, the Head of the General
Directorate of Financial Policy and the Director of Financial Policy of the Secretarial General of the Ministry of Finance.

b. the Head of the Directorate General of Financial Policy and Budget of the Secretariat General of Financial Policy / State General Accounting Office of the Ministry of Finance, with deputy, the Head of the Treasury and Public Accounting Office General Department of the same Secretariat General.

c. one representative of the Secretariat General of Commerce and Consumer’s Protection of the Ministry of Economy, Infrastructure, Marine and Tourism and his Deputy, being nominated both of them by Means of a Decision of the Minister of Economy, Infrastructure, Marine and Tourism.

d. one representative of the Bank of Greece and his Deputy, both of them being nominated by decision of its Governor.

e. one representative of the Hellenic Union of Banks and his deputy, both of them being nominated by means of a decision of its Chairman.

f. one representative of the Capital Market Commission nominated by a decision of its Chairman.

10. The Bank vacation having had consequences in many sectors, measures have been taken to regulate various important matters.

   More particularly, it was provided that no arrears interests were due for claims falling due during the Bank vacation and that the dates of maturity, presentation and payment of securities (cheques, drafts etc.) as well as the judicial time limits were extended.

   The time limits for the payment of amounts due to the Fiscal Administration were extended until the third working day as of the end of the Bank vacation.

   Further, the time limit for the filing of income tax returns was extended many times, the tax payers having not enough cash to pay the taxes, which are computed immediately when the tax return in filed electronically. Also, the time limit for the payment of claims assessed by the Fiscal Authorities was extended.

11. A fine has been provided to be imposed on such Credit Institutions for each infringement of the dispositions of the Legislative Acts pertaining to the Bank vacation, amounting up to one tenth (1/10) of the amount of the relevant transaction,
the concerned Credit Institution having in addition the obligation to terminate the employment or the work agreement of the person being responsible for the infringement.

It was also provided that any person refusing to be paid in the ways set forth by the above Legislative Acts (credit and debit cards, transfer from one account opened with a Credit Institution operating in Greece to another account opened with a Credit Institution operating in Greece, as well as by pre-paid cards, e-banking, web-banking, phone banking) shall be punished by application of appropriate dispositions of the Penal Code.

12. The duration of the Bank vacation was extended many times (i) by means of a Decision of the Minister of Finance dated July 6, 2015 up to July 8, 2015, (b) by means of a Decision of the Minister of Finance dated July 8, 2015 up to July 13, 2015, by means of Legislative Act dated July 14, 2015 up to July 16, 2015 and by means of a Decision of the Minister of Finance dated July 16, 2015 up to July 19, 2015.

13. By means of a Decision dated July 2, 2015 of the Minister of Finance, the following transactions have been added to those initially allowed to be performed during the Bank vacations by Credit Institutions.

   Said additional transactions are related to the payment of the following grants by the Unemployment Office to those beneficiaries being not holders of cards for the withdrawal of cash from Automated Teller Machines (ATM).

   ‒ regular unemployment subsidies
   ‒ subsidies to persons being unemployed for a long lasting period
   ‒ subsidies of unemployment to independent professionals and free lancers

   It was specified that the maximum amount to be paid to the above beneficiaries during the Bank vacation should not exceed 120 euros.

14. Simultaneously with the extension of the Bank vacation up to July 13, 2015, the Minister of Finance decided, by means of his Decision dated July 8, 2015, that the Branches of the Banks opened as above would pay to those pensioners having no cards another 120 euros against their pensions.
15. Legislative Act dated July 14, 2015 added other transactions allowed to be done by Credit Institutions during the Bank vacation, such as the payment of instatements either having fallen due or current, generated by the use of credit cards or loans of any kind, as well as the payment of claims of the Public Treasury, of the Public Utility Companies, of Social Security Funds and of private Insurance Companies. Said payments could be done by cash (if the concerned pension had gathered the amount needed following withdrawals of 60 euros per day) or by means of an order for the transfer of the relevant amount out of a savings or current account of his to an account of the beneficiary opened with the same Credit Institution.

The same Legislative Act as above provided that, during the Bank vacation, any act of compulsory enforcement and especially sales by auction, attachments, evictions and personal detention were suspended.

For the same period of time, the obligation of lawyers and litigants to submit receipts for the payment of judicial stamp duties, vouchers to cover cost of Government services, as well as expenses for the filing of appeals and legal remedies and their hearing before the Judicial Authorities or for the attendance before them of lawyers was suspended. However, the person(s) liable to such payments should produce the relevant receipts to the competent Authority within 3 working days as of the end of the Bank vacation.

III. THE MEASURES OF CAPITAL CONTROL AFTER THE BANK VACATION

1. By virtue of Legislative Act dated July 18, 2015, the Bank vacation ended as of July 20, 2015. It had lasted for almost one month, during which the economy of the Country suffered a lot. In spite of the various enlargements of the authorized transactions, the market was drying due to shortage of products. Actually, most of the products commercialized in Greece are imported. So is it for raw materials of those
produced/manufactured in Greece. The importers were prevented to make importations, since they were not able to pay the down payment requested by the foreign exporters and, thereafter, to settle the balance of the foreign exporters invoices. Only the importation of pharmaceutical products has been exempted from the restrictions accruing out of the Capital Controls, as it will stated below.

As of July 20, 2015, the Banks opened normally being however restricted to perform only the transactions provided for by the Legislative Acts mentioned hereinabove and the subsequent Ministerial Decisions. The restriction imposed as to the amounts to be withdrawn in cash continued to apply. The only improvement was that, by virtue of Legislative Act dated July 18, 2015, the total amount which the customers were allowed to withdraw per week, i.e. the amount of (60x7=) 420 euros could be henceforth withdrawn in total at once every week.

2. Legislative Act July dated 18, 2015 has set forth dispositions according to which, as of July 20, 2015, the restrictions to the withdrawal of cash would apply to any other payments in cash by the Credit Institutions, regardless to the currency in which there were done, such as payments for the collection of cheques and payments based on letters of guarantee, deposited with a bank account to which the above restrictions were applicable, withdrawals of cash by using credit cards or pre-paid cards in Greece and abroad and others.

3. To be noted that the restrictions regarding the withdrawals of cash from Automated Teller Machines (ATM) applied not only inside the country but also abroad.

4. The transfer abroad in any manner whatsoever of cash or capitals, to the credit of accounts opened with Credit Institutions having their seat and operating abroad was prohibited, as well as the transfer of capitals by means of credit cards, pre-paid cards and debit cards for the settlement of transborder payments.

   Exceptionally, the use of credit and debit cards abroad was allowed for the purchase of goods and services without cash, up to the amount fixed for each Credit Institution by decision of the abovementioned Commission of Approval of Bank Transactions. This was provided, mainly, to facilitate persons travelling abroad for health reasons and their accompanying persons, as well as students studying abroad.
The opening of new accounts, either current or savings ones, the addition of co-beneficiaries and the starting up anew of the operation of dormant accounts were prohibited.

Exceptionally, the opening of a new bank account was authorized exclusively for the following transactions, provided their necessity was proven in writing and provided also that there was no other account through which they could be performed, such as:

a. the payment of salaries and wages of personnel.
b. the settlement of obligations of the beneficiary of the account towards the paying Credit Institution accruing out of contracts entered to before June 28, 2015.
c. the payment of new pensions and new subsidies.
d. the clearance of transactions done through cards accruing out of new acceptance agreements (acquiring).
e. the covering of needs of legal entities newly established and, more specifically, after May 1, 2015.
f. the deposit in cash as a guarantee (cash collateral of a letter of guarantee, documentary credit etc.).
g. the opening of an account in favor of a third person, either to comply with an injunction to pay a monetary claim based on an order of payment, a judgment or other enforceable title or in order to settle a claim, for which an attachment was imposed (in favor of the beneficiary of the claim), unless the latter had already communicated a deposit account, by means of any procedural judicial act.
h. the covering of needs of newly formed companies (startups) participating to programs of support to undertakings.
i. the credit (to an account) from abroad, in euros or in foreign currency, of an amount of at least ten thousand (10,000) euros or its equivalent in foreign currency.
j. the acceptance of a term deposit only when the beneficiaries were the same persons as the beneficiaries of the “feeder” savings or current account.
k. any other transactions after approved of the Commission of Approval of Bank Transactions.

Further, the premature reimbursement of loans, fully or partially, to Credit Institutions was prohibited, unless it was done in cash or by means of a transfer from abroad.

Also, the premature termination, in whole or in part, of term deposits was prohibited, except if done exclusively for the settlement of an equal amount of:

a. debts to the Public Treasury and the Social Security Funds.

b. current installment and debts having fallen due accruing out of a loan granted by the same Credit Institution.

c. payment of salaries and wages at the same Credit Institution.

d. payment of hospitalization expenses and tuition fees.

e. payment of suppliers having a bank account in the same Credit Institution provided invoices or other equivalent supporting documents were produced and there was sufficient cash available in a savings or current account.

5. Legislative Act dated July 18, 2015 has also dealt and regulated other issues, providing that:

a. In case of attachment of a monetary claim in hands of a Credit Institution, of the Bank of Greece or of the Deposits and Loans Fund as third party, the amount of the claim cannot be paid in cash to the creditor. The relevant amount is paid either by means of a cheque or it is credited mandatorily in an account of the creditor (having imposed the attachment), with the same or with another Credit Institution.

b. The conclusion of agreements for the acceptance of transactions done by means of payment cards was prohibited, when their clearance was to done by crediting an account of the trader opened outside the Greek Territory with an Institution providing payment services.

c. The transfer abroad of titles under custody, which have been acquired after the commencement of the Bank vacation, as well as of titles being admitted for trading in Regulated Markets or Multiparty Trading Mechanisms functioning inside or outside the Greek Territory, was prohibited.
d. The transfer of capitals seeking the acquisition of financial products through Regulated Markets and Multiparty Trading Mechanisms or professionals disposing of such financial products, such as Undertakings for Collective Investments in Transferable Securities (UCITS) or Alternative Investment Funds (AIF), was prohibited as well.

The restrictions under (c) and (d) above can be lifted by means of a Decision of the Minister of Finance, who also regulates the conditions of such transfer of capitals.

6. Further, Legislative Act dated July 18, 2015 set forth exceptions to the restrictions mentioned in the precedent paragraphs. More specifically, it provided the exemption of:

a. transactions of the Hellenic Republic.
b. transactions of the Bank of Greece.
c. specific transactions approved by the Commission of Approval of Bank Transactions.
d. transborder orders of payment concerning the credit of an account opened with a Credit Institution operating in Greece.
e. transactions regarding movement of capitals concerning the administration of the cash flow of a Credit Institution operating in Greece and transactions concerning the obligation of payment in the frame of the management of contracts existing before the Capital Controls were enacted, i.e. before June 28, 2015, such as, indicatively, payments regarding titles and securization of claims issued by a Credit Institution, clearance of transactions done by means of payment cards, international cards, transactions regarding swap of insurance margin in the frame of servicing international capitals ISDA, CSA, GMRA, ESCROW, EIB and other collaterals, with Credit Institutions abroad.
f. any amount(s) transferred from abroad by means of transfer(s) to the credit of accounts opened with a Credit Institution operating in Greece, when they are transferred again to the credit of an account opened with a Credit Institution operating abroad.
g. transfers by a Greek Education Institute governed either by Public or by Private Law or by a Technological organization, in favor of an account opened with a Credit Institution having its seat and operating abroad, of amount(s)
deriving out exclusively from the transfer of credits from abroad, which were credited to an account opened with a Credit Institution operating in Greece, within 2015. Such transfers may be done exclusively for educational or technological purposes.

h. payment of remuneration abroad to persons working in Diplomatic Missions, Permanent Agencies or other Services of the Greek State, by means of transfer of an amount equal to the amount of the remunerations, to an account opened with a Credit Institution operating outside the Greek Territory. The persons entitled to remuneration as above were allowed – if they had special accounts, where their remuneration is paid, with a Credit Institution operating in Greece – to transfer an amount equal to the amount of their remuneration, to the credit of an account they have abroad.

i. transfers by an Education Institute governed either by Public or by Private Law or by a Technological Institute, in favor of an account opened with a Credit Institution, which has its seat and operates abroad, of amount(s) accruing out exclusively from transfer(s) from abroad done after the Bank vacation started, i.e. after June 28, 2015, only for servicing the purposes of research programs.

j. unlimited withdrawals of cash from one bank account for each beneficiary, regarding the Embassies and the members of the Diplomatic Missions in Greece.

k. payment of cash by the Payment Institutions to the beneficiaries of foreign transfer(s), provided that an equivalent amount was imported in cash from abroad, as of June 28, 2015 and that said imported amount was declared to the Bank of Greece. The movement of money transfers inland, by means of remittance of cash to the beneficiaries is also allowed provided that the payee has deposited the total amount in cash

l. the payment of hospitalization and of medical expenses, of tuitions, mandatorily by electronic transfers through the Credit Institution, to the credit of an account of hospitals, doctors, Educational Institutions etc. opened abroad and not in favor of an account of the person(s) entitled to coverage of such expenses.

m. the transfer each calendar trimester of a maximum amount of 5.000 euros or of its equivalent in foreign currency, for stay and living expenses of students,
who study abroad or participate to programs of exchange of students. The remittance is done mandatorily in an electronic way through a Credit Institution, in a bank account of the student opened abroad.

7. Legislative Act dated July 18, 2015 also provided that, by Acts of the Governor of the Bank of Greece, restrictions can be imposed regarding the transfer of banknotes in euros or foreign currency out of the Greek Territory.

Further, said Legislative Act provided that, by the same Act of the Governor of the Bank of Greece, not only restrictions can be imposed to the exportation of banknotes, but also differentiations can be set forth for Countries being Members of the Schengen Area and for third countries and also special exceptions can be provided for certain categories of persons.

8. Legislative Act dated July 18, 2015 provided that anyone infringing the restrictions and prohibitions it has set forth shall be punished by imprisonment of at least three (3) months and by assessment of a pecuniary sanction up to one tenth (1/10) of the amount of the concerned transaction(s).

9. By means of Ministerial Decisions dated July 21, 2015, July 31, 2015 and August 31, 2015, the suspension of acts of compulsory enforcements, payment of judicial fees etc. provided for by Legislative Act dated July 14, 2015 for the entire duration of the Bank vacation, which ended on July 20, 2015 as stated above, has been extended respectively up to July 31, 2015, up to August 31, 2015 and up to September 30, 2015.

10. The dispositions of Legislative Act dated July 18, 2015 have been modified by a Decision of the Minister of Finance dated July 24, 24, 2015.

More precisely, Ministerial Decision dated July, 24, 2015 provides that:

– the prohibition to withdraw cash applies also to any other remittance in cash by Institutions, regardless to the currency, including, among others, the collection of cheques and the payments based on betters of guarantee, which are deposited with a bank account, submitted to the restrictions regarding withdrawals in cash.
– withdrawals of cash in Greece and abroad, by means of credit and pre-paid cards issued by Credit Institutions having their seat and operating in Greece are prohibited.

– any person is allowed, for any trip abroad, to carry banknotes in euros and/or in foreign currency up to an amount of 2,000 euros or its equivalent in foreign currency, until the Governor of the Bank of Greece issues an Act fixing the amount passengers are authorized to carry. The above restriction does not apply to persons having abroad the permanent place of their domicile.

– the dispositions regarding the settlement of invoices of providers by means of premature termination, in whole or in part, of a term deposit were replaced to provide that the payment of providers having accounts at the same Credit Institution can be done in the above way, against invoices or equivalent supporting documents, but under the condition that there is no sufficient balance in a current or in a savings account.

– the transfer abroad of custody regarding financial securities under custody referred to in Law 3606/2007 is prohibited.

– various dispositions of Legislative Act dated July 18, 2015, which set forth the cases where the transfer of capital abroad is permitted, were replaced to provide other transfers as being exempted from the restrictions and limits set forth by the same Legislative Act, i.e.:

  – transborder orders for payment, which concern exclusively the credit of an account opened with an Institution operating in Greece.

  – amounts which, after July 18, 2015, were transferred from abroad, to the credit of accounts opened with a Credit Institution operating in Greece could be transferred anew, in whole or in part, to an account opened with a Credit Institution operating abroad. Besides the above, maritime companies in particular, referred to in Laws 27/1975 and 959/1979, as well as in Legislative Decree 2687/1953 (legislative texts governing foreign investments, mainly) could make withdrawals in cash up to fifty thousand (50,000) euros per day, out of amounts imported from abroad. By means of a Decision of the Commission of Approval of Banking Transactions, the withdrawal in cash can be allowed also to enterprises of other branches, up to an amount per day to be fixed by the same Decision of the above Commission.
– transfers of credits by a Greek Public Research Institute governed either by Public or by Private Law or by a Technological Institute or by a University Research Institute, in favor of an account which is opened with a Credit Institution having its seat and operating abroad, of an amount deriving exclusively out of a transfer or a transfer of credit from abroad, done within 2015 or after July 18, 2015, to facilitate the purposes of a research program or the target of another training or research.

– payment abroad of pensions and privileged subsidies of any kind by Institutions having their seat and operating outside Greece, provided that the beneficiaries of such pensions or privileged subsides were receiving in the above way their pension or privileged subsidies, before the commencement of the Bank vacations, i.e. before June 28, 2015.

– withdrawal from a bank account and transfer abroad once, in cash, a maximum amount of two thousand (2.000) euros or its equivalent in foreign currency, for one person accompanying a person travelling abroad for hospitalization, provided the purpose of the travel is proven in writing.

11. Legislative Act dated July 31, 2015 has added other exceptions also, to the restrictions set forth by Legislative Act dated July, 18, 2015, by providing the exemption of all the transactions of Credit Institutions and companies granting investment services concerning participation in auctions for the issuance of Treasury bonds done by the Organism of Management of the Public Debt.

Further, the above Legislative Act set forth dispositions regarding cheques, on which the drawee Bank has certified that there was no possibility to pay them, between July 20, 2015 up to August 31, 2015, as well as promissory notes and bills of exchange having due date within the above period of time, which have not been paid, providing that they do not appear in Registers of financial behavior data kept by the Credit Institutions or by Bodies acting in their favor, under the condition that they shall be paid by September 30, 2015 at the latest.

Said Legislative Act provided also that, by means of decisions of the Governmental Council for the Financial Policy and by exception to any general or special disposition, public works can be entrusted directly (i.e. without invitations to tender), by means of contracts having a determined duration up to three (3) months, to
notorious experts, physical persons or legal entities, in financial, legal and economic matters, in order to support the Greek Government in the negotiation with the European Stability Mechanism (ESM), the European Commission (EC), the European Central Bank (ECB) and the International Monetary Fund (IFM), regarding the signing of the relevant agreements.

12. By virtue of a Decision of the Minister of Finance dated July 31, 2015, Credit Institutions have been authorized, by exception to the dispositions of Legislative Act dated July 18, 2015, to transfer in Greece and, in some specific cases abroad, any amounts needed to achieve the transactions for which said Ministerial Decision has lifted the restrictions of Legislative Act dated July 18, 2015, i.e.:

- transactions at Regulated Markets in Greece and Multiparty Trading Mechanisms regarding financial instruments, such as the purchase of financial instruments, the opening of positions regarding commodity derivatives, the clearance and settlement of transactions regarding special trading in Regulated Markets and Multiparty Trading Mechanisms, transactions seeking to cover failed trades of financial instruments, transactions related to the fulfillment of obligations accruing out of positions regarding commodity derivatives, to their rollover, to the covering in cash of their daily or final settlement (market-to-market), to the acquisition of financial instruments newly issued in the frame of capital increase or issuance of debenture loan, any kind of titles issued by Credit Institutions having their seat in Greece in view of their recapitalization, transfers of capitals abroad by Credit Institutions to make feasible the reinvestment of liquidities of UCITS and AIF being managed by societies anonyms of management by Alternative Investment Funds Management Societies Anonyms licensed by the Capital Market Commission and other transactions in Regulated Markets regarding financials instruments set forth in detail in the above Ministerial Decision.

More specifically, by derogation of what was provided by Legislative Act dated July 18, 2015:

- the order for the transfer of capitals abroad by Payment Institutions supervised by the Bank of Greece and their agents was authorized up to an amount of five hundred (500) euros per month for each physical person and up to a total monthly amount in euros for all the Institutions of Payment, which will be fixed and apportioned to each one of them by means of a Decision of the Commission of Approval of Bank Transactions.

- the opening of a bank account of specific purpose without any right of withdrawal by a physical person was allowed to cover settlement of debts towards Institutions of Social Security and the Greek Public Treasury, as well as the opening of account by the Institutions of Social Security exclusively for the collection of social contributions.

- the opening of exclusively one sole account, without withdrawal right, was authorized, for the servicing of a loan granted before July 18, 2015 by the Credit Institution where the account is opened, even if there is a bank account in another Credit Institution.

- the premature settlement, in whole or in part, of a loan granted by a Credit Institution remained prohibited, except its payment back in cash or by means of a transfer from abroad or by means of a new loan, seeking the restructuring, provided the amount of the new loan is at least equal to the amount of the unpaid capital of the initial loan.

- the transfer during every calendar trimester of a maximum amount of five thousand (5.000) euros or its equivalent in foreign currency, in total, for stay and living expenses, of students who study abroad or participate in programs of exchange of students. The payment should be done, mandatorily, in an electronic way through a Credit Institution, to an account opened abroad in the name of student. In case the above amounts were credited directly to accounts of Student Residence Halls or of the lessor of the residence of the student and a lease agreement or other supporting documents were submitted, then an amount of
maximum eight thousand (8,000) euros or its equivalent in foreign currency would be allowed for every calendar month.

‒ transactions were permitted implying movement of capitals regarding the management of the cash flow of Credit Institutions operating in Greece and regarding obligations of payment in the frame of transactions with other Financial Institutions, either Greek or foreign and foreign Institutions of Clearance within the scope of management of the Credit Institution Portfolio per se, related to:

‒ acts of Monetary Policy.

‒ settlement and clearance of transactions, which have been concluded before June 28, 2015.

‒ blocking/unblocking of pledges, transfers of capitals to coverswap insurance margin (for example based on ISDA, CSA, GMAA, CLS, Escow, EIB), granting of security, payments in the frame of transactions governed by the above contracts and/or loan agreements on account of the Credit Institution itself, were permitted.

‒ roll-over, renewal and management of financial positions in foreign currency, transactions regarding commodity derivatives and other interbanking transactions, having matured and the renewal of which, in whole or in part, with the same or different counter-party considered to be necessary, were permitted.

‒ conclusion and settlement of new interbanking transactions (such as interbanking lending, transactions regarding commodity derivatives, FXO, spot, repos buy/sell back transactions, lending of titles etc. or premature termination or modification of the terms of existing ones were permitted provided they did not end to substantial change in the overall cash flow of the Credit Institution. The transactions and the payments performed with Greek or foreign Financial Institutions, foreign Clearance Houses, subsidiaries of Credit Institutions operating in Greece were also permitted.

‒ any other interbanking transaction necessary for the management of cash flow and of the financial and currency position of a Bank (such as positions in foreign currency, commodity derivatives etc...), accruing out of the execution of authorized actions with physical persons or legal entities were permitted as well.

‒ fulfillment of obligations in general regarding taxes and charges, as well as commissions and expenses accruing out of transactions of Credit Institutions, companies granting investment services, UCITS and their clients against transaction systems, payment systems, settlement of titles etc. were permitted.
– servicing of payments in connection to titles and securizations issued directly or indirectly by a Credit Institution and subsidiaries of it were permitted, such as:
  a. payment of coupons.
  b. settlement of invoices of third parties (fees and expenses of lawyers, administrators, trustees, paying agents etc…)
  c. settlement, in whole or in part, of capital in the frame of the materialization of contractual obligations or the call of contractual clauses.

– payment of external counsels for the issuance of legal opinions on subjects connected to the above transactions was authorized.

– Credit/Debit Nostro-Vostro accounts of subsidiaries and other Credit Institutions, through order messages, regardless to the currency.

The above transactions aimed to secure the without obstacles and proper functioning of the Credit Institutions. They could be executed without special prior notification, provided they would not affect substantially their cash flow.

No transactions regarding clients of the Credit Institutions were allowed in the frame of the above. At the end of the day, the above transactions should be communicated to the Commission for the Approval of Bank transactions.

– Amounts imported from abroad from International Bodies and legally formed and functioning Charity Organizations, which have been gathered specifically for charity purposes, were exempted from the limitations and restrictions set forth by Legislative Act dated July 18, 2015.

* *

*     *

Although the range of the transactions exempted from the restrictions and prohibitions set forth by the Legislative Acts now in force and the relevant Decisions of the Minister of Finance was expected to enlarge, the situation did not change.
It accrues out of what has been exposed in the frame of the present Report that the prohibitions, restrictions and limitations initially applied – especially at the beginning of the Bank vacation – have been substantially relaxed, the capital controls are still heavy and they are expected to last still for many months.

Athens, September 14, 2015

Catherine Cotsaki
Jurist
Accredited Mediator - MCIarb,
Accredited Trainer of Mediators,
President of the HELLENIC UNION OF MEDIATORS