

DRAFT

AGREEMENT ON THE ECONOMIC POLICY, THE REFORMS OF THE PERIOD 7/2015-
31/3/2016
AND THE COMPLETION OF THE CURRENT PROGRAM

STAFF LEVEL AGREEMENT

MAY 2015

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CHAPTER ONE

Economic Policy

1. Long-term fiscal targets

	GDP	PRIMARY SURPLUS	PUBLIC DEBT / GDP
a. 2015		0.6	
b. 2016		1.5	
c. 2017		2.5	
d. 2018		3.5	
e. 2019		3.5	
f. 2020		3.5	
g. 2021		3.5	
h. 2022		3.5a	

2. Fiscal measures 2015-2016

a. VAT

aa) Rates

The current rates of 6.5%, 13%, 23% to be changed to 6%, 11%, 23%. The 6% rate to cover: medicine, books, theatres. The 11% rate to cover: newspapers and magazines, basic and fresh food stuff, energy, water, hotels and restaurants. The 23% rate to cover: all other goods and services, including processed and other food stuff (approx 28% of the food category, e.g. seafood (not fish), readymade sweets and jams, mixed or processed bread or pasta, sandwiches, precooked food, prepared meat products, tinned food, chocolates, ready sauces etc).

The necessary legislative amendment (of the VAT code) will be ratified by and will be implemented immediately in all the categories mentioned above for each rate, with the exception of the changes provided in the case of hotels, rooms to rent, as well as the cases under section 4, article 21, of L. 2859/2000, which will be implemented from 1.10.2015 onward.

bb) Point system

Introduction of a system of reward points for the registration of receipts with the purpose of increasing the efficiency with which VAT and income taxes are collected.

The relevant decree will be ratified by ... 2015.

b. Other fiscal measures

aa) Immediate measures (solidarity contribution...)

i) Solidarity contribution

The implementation of decree ... (solidarity contributions) is to be suspended from 1.1.2015 pertaining to the fiscal years 2015-2016.

The relevant decree will be ratified by ... 2015.

Article 52 of law 4305/2014 in combination with article 29 of L. 3986/2011 will be amended so as to result in new scales for the solidarity contribution:

- Between 12.000 – 20.000 euro: 0.7%
- Between 20.001- 30.000 euro 1.4%
- Between 30.001 – 50.000 euro: 2%
- Between 50.001 – 100.000 euro: 4%
- Between 100.001 – 500.000 euro: 6%
- >500.000 euro: 8%

ii) Extra-ordinary levy on large companies

An extra-ordinary contribution to be levied on the profits of the (largest) companies, through the implementation of the rate from article 2 of L. 3808/2009 for the fiscal year 2014.

The relevant decree will be ratified by ... 2015.

iii) Tax on television advertisements

The tax on television advertisements provided for by article 5, section 12 of L. 3845/2010 will be implemented from ... 2015. In addition, any decision, arrangement, or decree which has suspended its implementation will be recalled.

iv) Luxury tax

The implementation of a luxury tax, provided for by article 44 of L. 4111/2013, will be extended to recreational vessels in excess of 10 metres. The rates which apply to 2,500 cc automobiles, planes, helicopters, gliders, recreational vessels and swimming pools will be increased to 13% from 10%. The relevant legislation will be ratified by ... and will come into effect from the collection of 2014 income taxes and beyond.

v) Television licenses

An international public tender will be announced for the acquisition of television licenses in return for a fee for the acquisition and use of the relevant frequencies.

vi) Collection of other tax revenue

All appropriate and necessary measures will also be taken, legislative or administrative, towards the collection of several categories of public

revenue, like automobile 'KTEO' fines, uninsured vehicles and levies for the use of frequencies.

The following revenues are expected from the above measures:

Intervention	2015	2016
VAT rates
Other fiscal measures		
a) Solidarity contribution	220 mn euro	250 mn euro
b) Extra-ordinary contribution from profits	1064 mn euro	-
c) Television advertisements tax	100 mn euro	100 mn euro
d) Luxury tax	30 mn euro	30 mn euro
e) Television licenses	120 mn euro	-
f) 'KTEO', uninsured vehicles	120 mn euro	90 mn euro
g) Television Stations	220 mn euro	
Total		

bb) Administrative measures (tax evasion, collection)

For the purpose of combatting tax evasion and increasing the revenue from VAT, customs and excise duties and other tax categories, measures will be taken to reform and restructure the tax administration and the existing legal framework for carrying out tax audits.

i) Criminal legislation – tax evasion

More strict criminal legislation provisions for tax evasion through the widening of the objective status of what constitutes a tax evasion crime. (There will be an amendment to article 55 of law 4174/2013 relating to tax evasion on withheld and accrued taxes, excise duties and contributions).

The relevant decree will be ratified by ... 2015 and will be effective immediately.

ii) Tax audits priority

The relevant legislation will be amended (article 48 of law 4174/2013 and article 9 of legislation 356/1974) to provide the tax administration with the ability to plan their tax audit priorities on the basis of risk analysis and not, as is now the case, year of seniority (year of write-off).

The option of a write-off of uncollectable old debts will be put into place through legislation amending article 82 of legislation 356/1974 so as to facilitate control over those cases more likely to produce revenue.

iii) Administrative settlement of disputes

There will be a legal regulation allowing the possibility of an administrative settlement of cases that have not been discussed in first instance courts and are pending at different stages of administrative or judicial proceedings in order to irrevocably finalize the amount of the debt and for it to become immediately certified and collectable.

The relevant decree will be adopted through a proposal from the GSPR by ... and will be implemented during 2015 for the reform that will prioritise the oldest tax cases pending. This procedure aims to reduce the strain on the administrative and judicial authorities in order to enable them to manage more effectively the control and collection of revenue.

iv) Combating fuel smuggling

In the overall effort to combat fuel smuggling, arrangements for locating storage tanks (fixed or mobile), which are used to move contraband fuel around the country, will be enacted via legislative measures. The relevant provisions and secondary legislation to be issued by ... and will be subject to immediate implementation.

v) Intensifying checks on bank transactions

The Financial Crime Agency, the GSPR, the Authority for Money Laundering and Counterfeiting are implementing a combined plan in cooperation in order to detect deposits stemming from undeclared income of Greek citizens for the period 2000-2014 in banking institutions in Greece or abroad, for which there exist specific data in the hands of the competent authorities. By 9/2015, it is expected that the process will have advanced to the level of certification of unpaid taxes and the beginning of their recovery.

vi) Hidden assets, domestic or foreign

Immediate provisions will be promoted to impose and collect taxes owed on hidden assets which will be revealed to the Greek Authorities in liaison and in agreement with the authorities of the countries where these amounts are deposited by Greek citizens.

The relevant legislation will be ratified by... and will be implemented immediately.

vii) Modification of the institutional framework on the debt restructuring program

The government will proceed by the end of June 2015 with the amendment of the debt restructuring program with the aim of tightening the relevant provisions.

Although these measures will have a direct positive impact on tax revenues in 2015 and 2016, the estimated contribution to the improvement of public revenue is expected to be reflected in an increase in collectability (expressed as a percentage) of the above categories, taxes, excise duties, etc., which will be recorded annually compared with the results of last year. They constitute, in this sense, permanent structural changes to the tax administration and public revenue control and collection mechanisms.

c. Privatizations

The government's privatization programme is re-adjusted according to the table below. The provision for amendment of Law 4263/2014 will be passed by ... and will be immediately applicable.

Table 2. Greece: Privatization Plan								
(projections, in € millions)								
	2015	2016	2017	2018	2019	2020	2021	2022
2 Airbuses	10							
Mobile Telephony	31	23	22					
Digital Dividend	189	23	23	23				
Buildings abroad	22	3						
State Lotteries	60	60	60	60	60	60	60	60
OPAP	3	3	3	3	3	3	3	3
e-auctions	9	16	30	30	30	30	30	30
Cassiopi	10	3	2	2	2	2	2	
Paliouri	3	2	2					

Agios Ioannis	9							
Xenia Skiathos	3							
Afantou	21	21						
Real Estate - other tenders	35	60	342	350	350	322	290	280
Regional airports	1.234	23	23	23	24	24	25	25
Regional Airports EBITDA sharing					40	62	69	69
Small ports and marinas	14	15			24	24	24	24
ODIE	20	20						
TRAI NOSE / ROSCO		50						
Egnatia Odos		50	10	10	10	10	10	15
OLTH, OLP, 10 large regional ports		500	20	20	20	10	20	20
AIA		250	15	15	15	15	15	20
Astir Vouliagmenis		95						
DESFA		188						
Hellinikon*								
Real Estate monetisation		100	125	150	175	200	200	200
Corporate & Infrastructure	1.561	1.205	176	154	196	209	225	236
Cum. Corp & Infrastr (starting 2013)	2.683	3.888	4.064	4.218	4.414	4.623	4.849	5.085
Land Development	112	300	501	532	557	554	522	510
Cum. Land Dev. (starting 2013)	509	809	1.310	1.842	2.399	2.953	3.475	3.985

Revenue projections	2015 - 2016	2017-2019	2020 onwards
Corporate & Infrastructure	2.766	526	9.029
Land Development	412	1.590	1.786
Total	3.178	2.116	10.815

The policy of privatizations and utilization of public and private property are subject to the following conditions:

- 1) a minimum level of investment for each privatization,
- 2) protecting labour rights,
- 3) commitments to ensure benefits to local social economies
- 4) the public holding of a significant (probably a minority) stake in the share capital.
- 5) protection of the natural environment and cultural heritage
- 6) a portion of the proceeds will be used to recapitalize the social insurance funds, while the percentage held by the State will be used to strengthen the Development Bank.

i) Development Bank

3. General Secretariat of Public Revenue (GSPR) reform - Financial Institutions

a) GSPR

The GSPR will be transformed into an independent Administrative Authority based on a plan to be prepared in cooperation with the Greek Government Task Force. The purpose of this reform will be the introduction in Greece of, with the help of the expertise of the Task Force, an institution operating according to the best practices of the EU and thus ensuring a more efficient tax administration with respect to the audit and tax collection institutions of the State, under a unified management with the supervision of the competent Committee of the Greek Parliament.

The provision will be passed by ... and will be implemented during the transition to the operation of the new independent Administrative Authority, which will be completed by 30.11.2016.

b) Fiscal Council

The implementation of the Fiscal Council, in accordance with the regulations of L. 4270/2014, will be completed and become functional within two months. By a regulation to be added to Article 28 of L. 4270/2014, the cooperation of the Fiscal Council and the Office of the State Budget will be regulated to increase the credibility of monitoring data on the execution of the State Budget.

The screening required by the ECA will be limited to amounts above EUR 25,000 per payment order.

The provision will be ratified by ... and will be immediately implemented.

CHAPTER B

Structural Changes

1. Settling social security issues

a) Consolidation of social insurance funds

Within 2015, in two phases and over a period of three years, the process will be activated in order to consolidate the social insurance funds into three (3). By 31.12.2016 the first phase of their operational consolidation will have been completed.

The reduced total and wage costs already realized (reduction 30%) will be maintained. In addition, it will be sought to further reduce the operating costs combined with a more effective management of fund resources including balancing the needs between better-off and poorer-off funds.

b) Codification

The codification of the insurance law will be completed in the immediate future and will correspond to the new organization of the new and more integrated social security system.

c) Zero deficit clause

The zero deficit clause of the Auxiliary Social Security Funds will be suspended for the years 2015-2016, and in any case until the new pension system in the country is established.

The provision will be passed by ... and will be implemented immediately.

d) Early retirements¹

Through a decree to be ratified by ... and which will be implemented immediately, there will be provision for the progressive adaptation of the early retirement rules to the limit of 62 years. From this change none of the vested pension rights are affected, as well as the special categories of early retirement (BAE, mothers with minors, mothers with children with disabilities and their respective categories for which at present it is envisaged). The adjustment will be made gradually for the period 1/1 /2016 to 2025 and particularly during the period 01/02/2016 – 2022 and one semester will be added per year to the present specified age limits. After 2022, a year will be added annually to the respective age limits. The possibility of withdrawal shall have its provision within the limits specified currently with a penalty for the retirement age extension period equivalent to 10 percentage points on top of the penalty of 6% proposed currently in favour of the social insurance fund granting the pension. From the above changes, the following financial impact and the corresponding number of pensioners affected is expected to be:

PS Δημόσιο	expected savings 2016- 2022	expected savings 2016- 2040	New expected average retirement age	IKA- ETAM	expected savings 2016- 2022	expected savings 2016- 2040	New expected average retirement age
2016	32	32	56.3	2016	39	39	60.6
2017	52	52	56.7	2017	86	86	61.5
2018	81	81	57.6	2018	161	161	62.3
2019	101	101	58.4	2019	255	255	62.6
2020	115	115	58.5	2020	363	363	63.1

¹ The above amounts are the financial implications of restrictions on early retirement only from primary pensions. The measure also has a positive financial impact on the auxiliary funds since, after the suspension of the zero deficit clause, auxiliary pensions are subsidized by the state budget. Consequently, the necessary amount for the funding of auxiliary pensions will be reduced by the amount not provided by auxiliary pension funds since whoever does not receive an early basic pension is also not benefiting from a subsidiary one.

2021	113	113	59.1	2021	449	449	64.1
2022	100	100	60.7	2022	549	549	64.3
2023		78	62.3	2023		633	64.6
2024		73	63.4	2024		700	64.8
2025		74	64.4	2025		751	65.1
2026		83	65.7	2026		787	65.3
2027		81	65.5	2027		807	65.5
2028		62	65.3	2028		826	65.6
2029		37	64.9	2029		801	65.8
2030		13	65.4	2030		808	66.5
2031		-4	65.1	2031		729	66.8
2032		-11	65.1	2032		641	66.8
2033		-14	65.0	2033		568	66.8
2034		-14	65.0	2034		501	66.8
2035		-15	65.0	2035		431	66.9
2036		-15	64.8	2036		380	67.0
2037		-15	64.5	2037		318	67.1
2038		-15	64.4	2038		251	67.0
2039		-15	64.6	2039		173	67.0
2040		-14	64.4	2040		91	67.0

TOTAL	expected savings 2016-2022	expected savings 2016-2060
2016	71	71
2017	138	138
2018	242	242
2019	355	355
2020	478	478
2021	563	563
2022	650	650
2023		711
2024		773
2025		824
2026		870
2027		888
2028		888
2029		839
2030		821
2031		725
2032		630

2033	554
2034	487
2035	417
2036	365
2037	303
2038	236
2039	158
2040	77

e) L. 3863/2010 New method of calculating pensions

Application of Article ... of n. 3863/2010 concerning the new method of calculating main pensions to be suspended for the year 2015.

The provision will be ratified by ...and will be immediately implemented.

f) Measures against contribution evasion and uninsured work

g) New actuarial study 2015-2050

The country is already completing a new actuarial study of the social security system 2015-2016 designed for the overall reform of social insurance legal framework.

Basic Assumptions of the actuarial study of the Social Security System.

- The sustainability of the social security system is being examined for cash flow projections 2015-2050.
- Demographic projections (fertility rates, mortality, life expectancy, migration) are based on the AWG Ageing Report 2012.
- The assumptions about the workforce and migration are based on the AWG Ageing Report 2012.
- In the projections about cash flow five scenarios are examined for the average long-term growth rate of GDP (0.85%, 1.5%, 2%, 2.5% and 3%).
- In the projections of cash flow, the amounts refer to 31/12 of each year.

- In the model, the average retirement age is estimated based on probabilistic distribution as average exit age due to old age. Similar estimates are made for pensions for disability and death.
- As a methodology of valuation of the actuarial liability, the Attained Age Method was used, on a group basis. This method was chosen because it addresses the entire pension system.
- Projections of cash flow have taken into account 400,000 pending applications for retirement.
- The recoverability of contributions in cash flow projections was considered throughout the period (2015-2050) to be equal to the current one.
- Projections of cash flows are in constant prices, i.e. inflation is assumed to be 0%.
- For the long-term actuarial deficit, the technical interest rate of 2.5% is used. Ditto for estimating present values of cash flows.
- The valuation period of cash refers to the first quarter of 2015.
- It is considered that for each percentage point of GDP growth 15,000 new jobs are created (INE GSEE estimates) and that for each one percentage point decline in GDP growth, 50,000 jobs are lost.
- The assets of the funds (liquid and non-liquid) have been evaluated in accordance with the table below at 31.12.2014:

Asset Class	Amount in billion €		Distributor
Common Capital	5.3		32.5%
Cash (Bank deposits and cash equivalents)	2.4		14.7%
Bonds (except common capital)	2.6		16.0%
Shares	1.5		9.2%
AKAGE	3.7		22.7%
		Common Capital	3.1
		Management Accounts with the Bank of Greece	0.6
Total moveable assets	15.5		

Real estate (objective values)	0.8		4.9%
Total moveable assets & Real Estate (Reserve Fund)	16.3		100%

- The projection of cash flows has taken into account a long-term average return on investment equal to 2.5% (the actuarial return on investment is set equal to the technical interest rate).
- Projections of the study examined the long-term ratio Pension Expenditure / GDP, according to the methodology of the ILO.
- In pension costs are included:
 - 1) the total benefits of the main pension of the social security system (IKA - ETAM, OAEE, EBRD, ETAP - media, government, OGA) except NAT and TAP – PPC, which incur expenditure of approximately 0.5% of GDP
 - 2) the total of supplementary pensions,
 - 3) benefits for EKAS. Finally, it is noted that the study does not refer to any lump sum benefits.

It should be noted that the above assumptions are the technical basis of actuarial projections of cash flow. By international standards, the technical basis should consist of realistic and rational assumptions that are to reflect in the short term the current economic situation and in the long term expectations about future economic and demographic conditions prevailing.

2. Labour relations

a) Collective Bargaining Agreements

The Greek government will reinstate collective bargaining procedures, similar to existing arrangements in other EU countries and under a plan to be approved by the ILO.

The draft law will be put out to consultation to the social partners and will incorporate modern practices of EU countries on the regulation of labour relations.

In particular, there will be a revocation, through a legislative intervention of the no. 6/2012 Act of the Cabinet, as well as Paragraph 7, Article 2 of Law 3845/2010, Article 15 of Law 3899/2000, para. 6, Article 37 of Law 4024/2011, Paragraphs 1 and 3 cases e and f and Paragraph 4 of Subparagraph IA II of the sole article of Law. 4093/2012, Article 31 of Law 3346/2010, Article 103 of Law 4172/2013 and Article 4 of Law 4303/2014.

b) Minimum wage

With the same law, the minimum wage levels and salaries of workers in the private sector (those with a dependent employment relationship under private law) will rise gradually until the end of 2016 to 2010 levels; thereafter will be freely negotiated within the context of collective bargaining.

The terms and conditions for the application of these decrees will be included in detail in the draft law to be submitted by ... and will be implemented according to its provisions.

4. Financial system, non-performing loans

a) Working Group - study of A.M.C, loans management

By a law provision, a working group will be set up, authorizing the Minister of Finance, Infrastructure, Shipping and Tourism with its establishment, involving the BoG, the HFSF, bank executives, independent experts and competent government

officials to study the issue and make proposals to the Minister for a comprehensive non-performing loans management strategy.

The working group may assign to specialist advisors from the private sector individual studies on specific aspects of its proposals, in order to register and implement techniques and solutions that will contribute in the most effective way to dealing with the issue concerning NPLs.

b) Amendment to L. 3869/2010 (Katseli law)

i) Outstanding cases

Special sections will be formed which will exclusively deal only with the differences under L. 3869/2010 thus on the one hand speeding up the administration of justice concerning the outstanding cases and on the other hand ensuring a speedier legal process for new applications.

At the same time, Article 4 of L. 3869/2010 will be amended so that the data that has to accompany the application on the income, family and financial status of the debtor can be considered as a part of the admissibility of the application and, therefore, applications that are not accompanied by a full dossier might not be accepted and not be assigned.

The two above measures are expected to significantly decongest the volume of pending cases and to speed up litigation concerning both past and new applications made.

ii) Suspension of enforcement

This decongestion will have a positive impact as well on the problem of the long-term validity of the decisions concerning suspension of enforcement since the cases will be tried very soon and the suspension will cover a reasonable period of time. During this time and in parallel with the suspension, monthly installments will be set which will be paid by the debtor. We will consider the possibility of establishing more specific criteria concerning the setting of these monthly installments so that the judicial approach can be formulated at this stage, by more specific rules.

iii) Inclusion of small businesses in Law 3869/2010

The government will amend Law 3869/2010 so that small businesses can be included in its spectrum of application. To this end, it will utilize the available technical support and the results of studies concerning this issue.

iv) Other issues

- Separation of cases

The government will amend Law no. 3869/2010 by introducing the separation of cases in order to protect the most vulnerable borrowers

- Setting priorities

The government will amend L. 3869/2010 by introducing a system of setting priorities concerning when cases are tried.

- Further simplification of the provisions

The government will amend L. 3869/2010 in relation to the rights and the obligations of the applicants and the interventions of the judges.

- Nonpayment of installments

The government will amend L. 3869/2010 in relation to the penalties incurred if installments are not paid.

- Concerning the possibility of reducing the loan to 80% of the objective value.

The government will amend L. 3869/2010 by abolishing the provision which provides the possibility for the amount of the loan to be reduced to 80% of the objective value.

The relevant amendments will be ratified by and will be implemented immediately.

c) Implementation of L. 4307/2014

Law 4307/2014 concerning the heavily indebted companies will be implemented and the necessary circulars and administrative measures will be issued for its proper implementation.

d) Reactivation of the Governing Council of Private Debt Management

The Governing Council of Private Debt Management (article 1, L. 4224/2013) will be activated. It will be responsible for monitoring the implementation of the strategy which will be prepared by the Working Group for the management of non-performing loans. To strengthen the work of the Governing Council of Private Debt Management a Special Secretariat will be created, which will be staffed by transferring to it specialized personnel of the Public and wider Public Sector.

e) Mediation Code – strengthening of settlements

Until the study is completed and its proposals concerning the overall NPL management strategy are implemented, the government will take concrete steps to intensify the mediation procedures under the Banking Code of Ethics in order to settle the largest possible number of such cases through a private agreement between bank - debtor.

For this reason an information campaign will take place in order to encourage the debtors to go to the banks and seek friendly settlements as well as to find out about their rights as they are laid down in the Banking Code of Ethics.

f) Temporary moratorium on auctions of primary residences or sole residences

The government will introduce a temporary suspension of auctions of primary or sole residences. The criteria for inclusion in the temporary status will be:

- The objective value of the property should not exceed 200,000 euro.
- The annual declared family income should not exceed 35,000 euro.
- The total value of movable and immovable assets should not exceed 270,000 euro, of which the total sum of bank deposits and other movable assets should not exceed 15,000 euro.
- At the same time, there will be an obligation to make proportional payments depending on the annual family income as follows:

Annual income limit	Monthly installment	Installment amount as a percentage of income	Installment amount as a percentage of the tax scale
5000	8 €	2%	2%
10000	50 €	6%	10%
15000	133 €	10.7%	20%
20000	258 €	15.5%	30%
25000	425 €	20.4 %	40%
30000	633 €	25.3 %	50%
35000	883 €	30.3%	60%

For example: an individual with an income of 7,000€ will pay 2% per month for the first 5,000 € and 10% for the remaining 2,000. Therefore the monthly installment will be $8 + 16.7 = 24.7$ € per month

The relevant amendments will be ratified by and will be immediately implemented.

4. Justice

a) Judicial reform

Apart from the above two issues, judicial e-Government (e-justice), mediation and out of court settlements, judicial statistics, the acceleration and rationalization of civil and administrative proceedings and the streamlining of the process concerning judicial stamps and administration fees belong to this section.

In the discussions so far on these issues there were no substantial disagreements as we as well recognize the issues as systemic problems of the Greek justice system.

The technical teams requested at the last meeting/video conference to submit to them notes with the areas of action and a timetable of activities.

In particular:

aa) E-justice

There are programmes under way and commitments primarily through the NSRF which are updated at regular intervals. The services of the Ministry of Justice have already prepared a multipage action plan in Greek, which will be sent tomorrow along with the other notes to the technical teams.

bb) Mediation and out of court settlement

The institution and its importance have already been accepted by the political leadership of the Ministry, while a parallel diversification and simplification of the existing procedures had a positive response from the technical teams. For this purpose we intend to have set up a Working Group by the end of May with the participation of members from the

three legislative committees (Code of Civil Procedure, Bankruptcy, Mediation). This Group will consider the possibility of implementing the institution from 2016 onwards as a procedure prescribed by the Code of Civil Procedure, with an optional or potential character for commercial disputes and in order to propose solutions so as to better integrate the institution in the Greek legal system.

cc) Judicial Statistics

In addition to technical support via programmes which is expected to improve data collection for Justice, there are already on the Ministry's website statistics posted quarterly, which the teams of the Institutions use.

dd) Rationalization of civil and administrative proceedings

We are working on concrete proposals and solutions that combined are projected to accelerate justice administration. A Working Group will be established concerning the reform of the Administrative Procedure Code, as well as a Group re direct legal provisions and the amendment of the Courts Organization.

ee) Streamlining of the process concerning judicial stamps and administration fees

Concerning court fees, we will try to reduce the excessive amounts in order to allow for greater access to justice, especially for lower income groups and to exam the rationalization of the payments, and with the distinction of whether they concern property disputes or not.

Furthermore, we will seek ways to ensure transparency of the sums paid by the parties.

Regarding civil proceedings there will be a discussion in the special legislative committee of the Code of Civil Procedure and we will seek to reduce revenues by rationalizing court fees by imposing a specially increased fee on the cases of postponements so as to limit them and thus speed up the trial.

Regarding the administrative proceedings, this issue will be discussed within the working group/legislative committees for the reform of the Judicial Procedure Code.

For the above topics [e-justice, mediation and out of court settlements, judicial statistics, speeding up and rationalizing civil and administrative proceedings] an 18 month programme of technical support will be implemented with funds from the European Commission (TASK FORCE) in cooperation with Austria's Ministry of Justice.

b) Civil Procedure Code - Bankruptcy Code

The Civil Procedure Code will be revised with the special Committee of the Ministry of Justice based on the "Chamilothori Plan", with interventions in its chapters:

- aa) Procedures in first instance courts
- bb) Special procedures
- cc) Obligatory enforcement

Article 977 provision of the Civil Procedure Code which regulates the ranking of creditors will be amended. From the requirements described in the provision of Article 975, those that are based on providing employment and the

proportional insurance contributions will be executed preferentially (excluding compensations). Of the remaining amount, the tangibly insured (mortgage) creditors will be proportionally served at 70% and the remaining (non-tangible mortgages) and non-privileged ones at 30%.

The work of the Legislative Committee on integrating the Bankruptcy Law of the Recommendation of the European Commission from March 2014 will continue beyond 31.3.2015 so as to fully adapt Greek law to international practices and the European Institutions.

The new Civil Procedure Code will be completed and will be ratified by and will be implemented on

The new Bankruptcy Code will be completed by October 2015 and provisions related to other regulations of this will be completed and will be incorporated into the law by The new bankruptcy code will include the amendment of Article 99.

Finally, the Greek government will legislate the necessary measures for the implementation of the "Dendias" and "Katseli" Law in collaboration with the Ministry of Finance.

***the chapters concerning the Civil Procedure Code will be added when the discussions have been completed.**

5. Markets – Products – Professions

a) Markets - Products

aa) Tourist leases

The Greek government will proceed with the liberalization of leases for holiday homes by eliminating the lease obligation for a minimum period of 30 days.

It will also proceed with regulating the e-market for leasing holiday homes in order to protect healthy competition and to ensure tax revenues.

The relevant provision will be ratified by and will be immediately implemented.

bb) Transportation

i) Tourist Buses

The Greek government will proceed with the amendment of the relevant legislative framework (L. 711/1977) in order to expand the transport work carried out by the special tourist buses of public use.

In particular, it will be possible to transport predetermined groups of people and luggage.

The relevant provision will be ratified by and will be immediately implemented.

ii) Air transportation

The Government will implement an action plan concerning the restructuring of the Civil Aviation Authority according to the provisions of European legislation.

iii) Logistics

The Government will immediately issue the JMD re the Establishment of the Council for Development and Logistical Competitiveness as provided for in Law. 4302/2014. It will also proceed with the existing National Strategy for the Supply Chain and will work closely with the World Bank.

cc) Drinks – Reform of the Food and Drink Code*

The Government will implement (a large part of) the recommendations contained in the 2nd OECD Toolbox. Specifically, the government will immediately implement recommendations No. 2, 3, 4, 5, 6, 7, 9, 10, 11, 25, 26, 27, 33, 34, 39, 47, 49, 72, 73, 74, 75, 76, 80, 82.

The relevant regulatory provisions will be issued by and will be immediately implemented.

EFET will proceed with the reform of the Food and Drink Code.

dd) Petrol products**

The Government will implement (a large part of) the recommendations contained in the 2nd OECD Toolbox.

ee) Manufacture study wholesale trade, banking, media

The Government will assign the OECD to conduct a study concerning the markets of the Media, manufacture, wholesale trade, banking, e-commerce in order to adopt regulations for strengthening competition.

The study will be submitted by

ff) Construction – european Specifications

The relevant Ministry of Economy, Infrastructure, Marine and Tourism will implement the following action plan for the alignment of the GTS (building materials specifications) with European standards.

First, it will proceed to immediately award the harmonization project of the first 50 GTS in Egnatia Odos SA (as the Managing Authority). The deliverables of the project will be formalized by ELOT (Hellenic Organisation for Standardisation) and then the relevant Ministerial Decision will be issued. The completion of the project and the issue of regulatory acts will be completed by 10/2015 (4 months).

Second, the relevant Ministry will proceed with the immediate establishment of the Standing Committee for Updating the total body of the GTS and their alignment with the Descriptive Invoices. In the first phase, which will last three months, there will be a comprehensive overview of the remaining 390 GTS and those in need of alignment with European standards will be identified.

Third, the relevant Ministry will proceed with the assignment, through the same procedure described in the first step, of the alignment project for those GTS out of the 390, which are found to be in need of alignment.

* The final decisions are expected from the BG

** The final decisions are expected from the BG

gg) Telecommunications – Crossover Rights

1. We planned to introduce further simplifications, on an ad-hoc basis, in order to facilitate and expedite the implementation of on-going broadband infrastructure

projects. In particular, a fast-track procedure has been applied for obtaining rights of way for the MAN project, and legislative provisions aiming to simplify administrative procedures for the ongoing Rural Broadband project were considered. Our analysis concluded that it will be preferable to follow an alternative “fast-track” procedure, which is already on-going.

2. We elaborate on further amending the current legislative framework, towards addressing the problems that have been identified; this task is carried out in parallel with the work for adopting Directive 2014/61/EU (BB Cost Reduction). To this end, an inter-ministerial committee has been set up that carries out impact analysis and assessment and will propose the appropriate legislative, regulatory and/or other administrative provisions necessary to comply with the Directive. Preliminary findings of the impact assessment show that, due to the very low cost for mini-trenching digging (ITU L-48) in Greece, limited results are to be expected. Specific areas with higher impact are: a. intra-telecom sector re-use (particularly in metro areas for fiber and ducts), b. submarine power cables (fiber connecting islands) and c. highways’ infrastructure (fiber as alternative routes for backhauling, closing fiber “rings”). Item (a) has been tackled in 5 below (Decision No. 750/7/17.02.2015). Items (b) and (c) will be priority focus for the inter-ministerial committee expected to conclude to recommendations by end August. Drafting and consultation by end October. Official Bill by end December. Further specific actions include:

Action	State of play	Priority	Roadmap
A.A.1: Centralization (one-stop-shop) of the licensing procedures	Completed for mobile base stations - ΣΗΛΥΑ. Fixed networks licensing (incl. rights of way) pending. Centralization of the procedure to follow clarification/rationalization (see A.A.12) and registry (see A.Σ.Σ1).	2	Procedural specifications by 30/9/2015 Pilot implementation by 31/12/2015
A.A.2: Electronic interconnection to the e-Application System	ΣΗΛΥΑ procedures under review by EETT (NRA) and GSTP (Ministry).	2	Recommendations by EETT for ΣΗΛΥΑ improvements by 31/7/2015 Implementation of recommendations by 31/12/2015
A.A.5: Centralization (one stop-shop) and digitization of all procedures for the granting of rights of way	Pending. Centralization of the procedure to follow clarification/rationalization (see A.A.12) and registry (see A.Σ.Σ1).	2	Procedural specifications by 30/9/2015 Pilot implementation by 31/12/2015
A.A.7: Definition of “low impact” technical projects involving simpler licensing procedures (or simple prior notification) as regards the acquisition of right of	Completed: Law No. 4281/2014 (FEK A 160/8.8.2014), Article 211	-	

way			
A.A.8: Establishment of simplified licensing procedures under special circumstances, such as implementation of large scale projects	Special exception prepared for rights of way for the Rural Broadband. Currently under review, decision due by 30/4/2015	1	Failed, see item 3 above. *Horizontal exceptions to be sought for "pre-requisites" (article 4 KYA 725/23) by 30/6/2015 – making use of Law Art. 211 of N.4281/2014. *Clarifications and "manual for granting RoW" addressed to "granters" (article 5 KYA 725/23) by 30/6/2015
A.A.12: Clarification of the rights of way framework.	Internal evaluation was completed on 9/10/2014. Currently under review, due by 30/6/2015.	1	On schedule, see item A.A.8 above
A.Σ.Σ1: The project "Development of a Digital Register of the Network Infrastructure of the Country"	Under implementation by contractor – project completion due by 26/9/2015. Extensive ongoing collaboration with stakeholders to collect data and populate the registry	1	On schedule

hh) Non-Prescription Medications

The Government will legislate a provision, according to which the distribution network of Non-Prescription Medications will expand and will allow for, under certain conditions, their being sold by specially constructed outlets in supermarkets. It will also establish a system of monitoring and control, as, on the one hand, a necessary condition is the administration of Non-Prescription Medications under the supervision of suitably qualified personnel, and, on the other, it will require obtaining the relevant license to ensure compliance with the necessary reserves and rules.

The relevant provision will be ratified by and will be immediately implemented.

b. Professions

aa) Notaries, Court Bailiffs

- Reduction in Notary remuneration

Notaries

A new Joint Ministerial Decision will be issued replacing no. 111376/12 (Government Gazette 13B/11.1.2012) setting out the rights of notaries, according to which the proportional remuneration for an amount up to 120,000 euro will be reduced from 1% to 0.8%.

The new Joint Ministerial Decision will be issued by ... and will be immediately implemented.

-Study abolishing geographical areas and minimum fees for Court Bailiffs.

The Ministry of Justice will launch a tender for a study on the profession of court bailiffs.

The object of the study will be to:

- Record the situation regarding the geographical restrictions that exist concerning the exercise of this particular profession.
- Record the situation concerning the regime of the minimum remunerations.
- Identify Good Practice that exists in EU countries, in relation to this specific profession.

The study will be completed by September/October 2015.

Based on the study's results, the provisions of L. 2318/1995 will be modified and in particular:

- a) par. 3 article 1, which determines geographical restrictions
- b) articles 49-50, relating to remuneration.

Additionally, a new JMD will be issued by the Ministries of Justice and Finance in order to set remuneration.

The enactment of the relevant provision and the issuing of the regulatory provisions will have been completed by 11/2015 and will have been implemented by 01.01.2016.

bb) Gymnasiums - Other

- article 32 of L. 2527/1997

- p.d. 219/2006

will be amended in order to simplify the procedures to set up and operate a gym.

The relevant regulatory provisions will be ratified by ... and will be immediately implemented, at the very latest by 31/12/2015.

cc) Reconstruction of Interministerial Commission regulating professions

c. Entrepreneurial Environment

aa) Amendment in the monitoring of SAs

The Greek Government will bring to a vote a provision, through which the framework of the regular monitoring of enterprises will be incorporated, as per EU Directive 2013/34/EU in order to reduce the administrative burden on SMEs and to overhaul the monitoring framework so as to ensure transparency and accurate information.

Through this measure, the medium and large entities of Art. 2 of L. 4308/2014 will be subject to mandatory regular review by auditors as well as the consolidated financial statements of small, medium and large groups of Art. 31 of L. 4308/2014.

The relevant provision will be ratified by and will be immediately implemented.

bb) National Export Promotion Plan

cc) Implementation of the new law on licensing enterprises

The Government will proceed with the implementation of L. 4262/2014 on the licensing of enterprises and has begun the process of preparing to issue the necessary administrative regulations.

An Interministerial Commission for the coordination of all involved Ministries will be established and cooperation will begin with the World Bank.

dd) Cadastral Register

-Progress on cadastral and forestry mapping

Cadastral projects

With respect to the existing real property rights (~37.000.000):

- o for 21,8% of the rights of the Country Cadastre has been completed and operates
- o for 23,5% of the rights of the Country cadastral survey projects are currently under development
- o for 54,7% of the rights of the Country cadastral surveys tendered

The relevant authorities will submit to the E.C, by June 2015, a major project application for co-financing of the current phase of the development of

the project. Furthermore, in the next two months, the Minister Alternate of the Environment will propose the necessary Joint Ministerial decisions to the Ministry of Finance for the collection of the cadastral fees that have not yet been collected yet from the completed cadastral projects.

Forest map planning

- A final tender remains to be announced to develop the forest maps for the remaining parts of the Country and to publicly suspend and certify the forest maps for the whole Country following the issuance of some pending Government Decisions. These decisions are expected to be issued by August 2015.
- Funding (budget ~70M€) will be allocated from the “Green Fund” to cover the cost of the project

Other Actions:

- By the end of 2015, the basic principles of the government strategy regarding the final cadastral offices will be finalised.
- Regarding progress on e-registration of new real estate transactions by notaries, the project has been outsourced and EKXA with its contractor works closely with all the stakeholders in order to have the web-service available and fully operational by December 2015. The Ministry of Environment with a Ministerial Decision has set the date for officially starting the service by the 21st of December 2015.
- With the appointment of all the Secretaries General of the new Government and the new Board of Directors of EKXA, an updated roadmap for the integration of spatial databases will be proposed

ee) Nuisance charges

Nuisance charges, and contributions that are set out by the provisions of art. 3 L. 2302/1995 (Association of Electricians), art. 10 par. 2 L. 2556/1997, art.26 L.2873/2000, art. 52 L. 4155/2013 and in the provisions of MD 50984/7949/2013 (charge for reissuing a driving license in favour of the MPF), art. 18 L. 2121/93 (Copyright Creators and Press Publishers Associations), in L. 4194/2013 , art. 13 v.1474/1984 (GEOTEE), art. 30 L. 4507/1966 (Coordination Committee of the Union of Notaries), art. 10 L. 2932/2001 (charge on ferry tickets), art. 26 L.2127/1993 and art. 184 L. 2960/2001, art. 1 L.399/1976 and art. 7 L. 1080/1980 (charge on bathers at Hot Springs), of art. 23 L. 3756/2009 (charge on those staying at a camping site) are abolished by legislative provision that will be voted by

The tax set in the provisions of articles 2 par. 1 of L. GPOI/1912 as replaced by art. 1 of L. 4093/2012 and 16 par. 16 LA (GG A' 237/5-12-2012) is abolished relating to the part concerning its being paid to EOPPY, and the withholding of tax of par. 2 art. 11 L. 2042/1992 will become optional following the relevant application by the pensioner while it is expected that there will be a reduction of the contribution on the tuition fees of private schools as foreseen under the provision of art. 47 L. 682/1977. Under consideration is the abolition of the special levy referred to in the provisions of articles 13 L. 3689/2008 and 94 L. 2127/1993.

The fees in favour of ASEP under the provision of articles 16 L. 2190/1994, 7 L. 2527/1997 and 46 L. 3979/2011 will remain, as will those foreseen in the provisions of art. 3 L. 4547/66, art. 12 4577/66, art. 11 and 14 of R.L. 248/77, of L. 1730/87, art. 15 L. 1866/89 and art. 11 L. 3021/2002 (fee in

favour of the state radio), those foreseen in art.15 r.l. 248/1967 (fee in favour of the periodical press), those foreseen in art. 3 L. 4547/66, art. 12 4577/66, art. 12 and 14 of r.l. 248/77, art. 3 L. 1344/73, L. 452/76, art. 13 L. 1405/83, and L. 1730/87 and of art. 11 and 13 L. 1866/89 (fee in favour of state television) and those foreseen in art. 6 par. 5 L. 1866/89 (fee in favour of private broadcasting stations), of art. 10 L.A. 1210/49, art. 15 R.L. 248/67 D. 146/1/10978/14-10-69 JMD of the Min. of Presidency and Social Security and of art. 9 l.p. 1344/73, D. 14028/E/11-5-02 M.D.

ff) Business Service Centres

The Government will initiate a study, probably in cooperation with OECD, so as to create Business Service Centres, in order to reduce red tape and administrative burdens.

The study will be completed by

6) Public Administration

- a) The following legislative and administrative initiatives will be undertaken immediately by the Greek Authorities:
 - aa) Enactment and implementation of the law for selecting managers and evaluating staff.
 - bb) Implementation of the pilot mobility scheme, as specified by Law 4325/2015 and in accordance with the principles and the permanent form that has been submitted to the institutions.
 - cc) Enactment and implementation of the Law on non-wage benefits.

dd) Processing, enactment and implementation from 01/01/2016 of the new uniform payroll, which will be founded on the following six general principles:

- i) The recruitment rule 1:2 will apply for 2016, with the vast majority of new recruitments (70%) university graduates,
- ii) Restoration of employee career development and gradual payment of the accumulated amount of their salary evolution ("maturing"), starting in the second half of 2016,
- iii) The same pay for the same work in any public service,
- iv) Linking rankings to positions of responsibility,
- iv) no further reductions in the salaries of civil servants,
and
- v) a new uniform payroll with its starting point being the salaries of civil servants on 31.12.2015.

ee) E-government throughout the Public Sector, with savings of 20%.

b) Fighting Corruption

Review of Strategic Plan against Corruption - TRANSPARENCY

The Government will present the revised strategic plan against corruption TRANSPARENCY in late July. To this end, it has set up a working group with participation from representatives from the Ministry of Justice and the General Secretariat for the Fight against Corruption.

c) Financing of political parties

The competent authorities will closely monitor the implementation of the recent law on financing of political parties and, if necessary, will introduce amendments especially in relation to funding through anonymous coupons and favorable tax treatment for those who finance political parties.

d) Asset means declaration

The competent authorities will closely monitor the implementation of the new institutional framework for controlling the asset means declaration. In a short time we will put into operation the new electronic system that will facilitate checks.

The new institutional framework will be reviewed in future in cooperation with the Greek Parliament and the Authority for Money Laundering and Counterfeiting (FIU), institutions that enjoy full independence from the executive branch.

e) Coordinating Body of Finance Prosecutors and of Corruption Prosecutors

7) **Energy**

The Greek Government commits to:

- Introduce legislation for the liberalization of the natural gas market (legislation to be introduced to Parliament by Oct. 2015).
- Introduce a temporary scheme for the capacity payments covering the period May-October 2015. The amount to be paid to the beneficiaries is calculated as a proportion for the aforementioned period of the initial proposal for the Jan – Oct. 2015 period and amounts to 112mn€.

- Re-examine and redesign the current electricity supply market legislation. The provisions of the NOME model proposed by RAE (Regulatory Authority for Energy) will be taken into account. The new scheme will be implemented within 9 months from the ratification of the SLA.
- Remain fully compliant with the Directive 72/2009 and Law 4001/2011, with regards to the role and mission of RAE. The government will enhance the regulatory framework, wherever necessary, in order to ensure the independent operation of RAE. Provision for the financial independence of RAE will also be part of this framework.
- Introduce a new scheme for the development of RES projects. This scheme is currently under preparation by the Ministry of Productive Reconstruction in collaboration with the German consultant GIZ. It will be finalized by the end of July 2015 and rolled out by January 2016.
- Resolve by the end of 2015 the issue of the arrears in payments accumulated from electricity bills of the general government and local authorities which currently amount to approximately 200mn€.
- Compile and roll out the new adjustment plan of ETMEAR within 3 months from the ratification of the SLA.
- Introduce a new, ambitious scheme for the implementation of energy efficiency projects in private, government and municipal buildings. This plan will be the key driver for the rejuvenation of the construction industry in Greece in the coming years. The scheme aims to introduce new financing mechanisms (e.g. obligation schemes), attract stakeholders from the private sector (construction companies, energy companies, financial institutions), as well as enable the activation of new business entities (e.g. ESCOs) and social economy initiatives (e.g. cooperatives of

engineers) on local and regional level. The scheme will be finalized by the end of 2015 and rolled out in 2016. In order to facilitate the implementation of this plan and to ensure full compliance with EU directives, **the government will introduce legislation for the ratification of Directive 27/2012 on energy efficiency.**

- Introduce a new plan for the upgrade of the electricity grids in order to improve performance, enhance interoperability and reduce costs for all categories of consumers. Key elements of the plan are the following:
 - Acceleration of the smart meters integration pilot projects in Greece (pilot project and roll-out).
 - Identification of pilot island power systems to ensure high RES penetration through multistakeholder participation contributing to reduction of electricity costs in islands (new green islands with storage, smart meters, demand side management, energy efficiency technologies).
 - Development of new solutions, services and know how in the smart grid technology and integrate with local and international SMEs networks.
 - Initiation of a new technology park to integrate national and international market players and universities in the area of smart grid technologies.

CHAPTER C

Debt Restructuring, Financing and servicing 2015-2022

1) New agreement 7/2015 – 31/3/2016

a) ECB

By 30.06.2015, following negotiations between the Commission, the ECB and the ESM, the optimal legal and economic solution will be reached concerning the repayment of the Greek bonds which are in the possession of the ECB, with refinancing from the ESM.

This solution must take into account the respect for the ECB's rules, the refinancing for the acquisition at the level of the actual value/or the return to Greece of the profits as long as the refinancing occurs at the nominal value, as well as the inclusion of the amount of refinancing in the existing loan between the ESM and Greece regarding the conditions of its repayment.

b) IMF

Greece's debt to the IMF will be restructured in order to repay the total amount due in two phases, one by 30.6.2015 and another in accordance with a subsequent refinancing of the country's public debt. During the period 7/2015- 31/03/2016 an amount equal to about 50% of the currently existing debit balance will be paid and the balance on the basis of an agreement which will include the repayment gradually or in installments following Greece's choice on the matter.

To this end talks will be held immediately between Greece, the ESM, the IMF and the Commission in order to have the choice of the optimal method in technical terms for the implementation of the agreement under the rules of the IMF and the ESM.

When paying in advance any amount to the IMF no clause will be activated by the ESM concerning payments to the ESM, or any other burdensome clause for Greece which is included in the MFAFA.

c) Financing of the Debt

The above restructurings of Greece's public debt, combined with the successful implementation of the agreed fiscal policy, are designed to create the appropriate conditions so that from 31/3/2016 or earlier, the refinancing of Greece's public debt can be conducted through the markets and to achieve a remodeling, in the framework of these agreements, of the regulations and procedures for monitoring the agreement between Greece-ESM and Greece-IMF by the instruments provided by the institutions and the Treaties.

d) Quantitative easing

Moreover by the repayment of the Greek bonds which today are in the possession of the ECB, Greece is setting up the conditions for its participation in the quantitative easing programme of the ECB, which will be an important aspect of growth and sustainable development of the country's GDP.

e) Financing of growth programme

In order for Greece to achieve the intended, as per the agreement, growth rates with the support of the European Institutions, the Commission will immediately begin discussions with the Greek Authorities to establish a framework of financing a growth programme and policies, which will be funded (in addition to those programs already being implemented) by the Commission and the E.I.B., for the period 2016-2021. The agreement re the growth programme, the amount of financing, the terms and conditions as well as the eligible bodies will have been completed and approved by the competent bodies as soon as possible.

Transitional provision

The terms of this agreement following its being signed and being enacted are applied as defined per the specific arrangements. Any contrary agreement, memorandum or other written commitment by the parties is repealed.

The legal provisions set out in this agreement will be incorporated in the existing law and any contrary provision of law, P.D, MD or other regulatory act will be repealed.

All the annexes relating to the financial forecasts for the period 2015-2018, Annex Law 4263/2014 will be reviewed on the basis of the fiscal and microeconomic assumptions of Ch. A of this agreement and following their review they will replace the Annex of the above law.

The amendment of this agreement can occur in writing and any amendment will be incorporated into this text and will be codified so that it will represent the only agreement governing thereafter the relations between the Hellenic Republic and the

institutions, regarding its loan relations and the arrangements governing the member countries of the european Union and the eurozone.