

RESIDENCE PERMITS IN GREECE: MORE OPTIONS FOR FOREIGN INVESTORS

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- The existing legal framework on residence permits has been extended to investments on intangible assets in Greece.
- Up to three Shareholders or executives of foreign legal entities investing in Greece may be granted residence permits on top of the ten NON-EU citizens who are being granted residence permits for the implementation and operation of the related investment plan.

Since the introduction of the golden visa regime in Greece, a significant number of international investors have embraced the option of investing in Greece in return for the granting of a residence permit. This in turn provides them with access to other EU countries as well. In an effort to expand the spectrum of investors taking advantage of said regime, the Greek Government introduced a new law that allows for opportunities for investments in Greece which are linked with the right for a residence permit. In particular, Article 42 of the new Law 4605/2019, (published on 1 April 2019) has introduced some important additional options to the existing legal framework for granting a residence permit through investments in Greece. According to the new Law's introductory notes, its purpose is the improvement of the current legislative framework on residence permits by taking into consideration the needs of the Greek economy, the interest shown by foreign investors in Greece and the relevant international practice.

Until now, the applicable legislation provides that if a non-EU legal entity begins an investment in Greece which is expected to have a positive outcome on national development and the economy, ten (10) third country citizens are eligible to be granted a residence permit for the implementation and operation of the specific investment plan. The new law states that in addition these individuals, up to three (3) more non-EU citizens with the capacity of a shareholder or executive of the investing legal entity may apply and be granted a residence permit in Greece.

However, the most important element of the new Law 4605/2019 is the introduction of new categories of investment which provide the right to non-EU citizens investing in Greece (the "Investors") to be eligible for a Greek residence permit (the "Residence Permit for Investors"). The new categories of investments are the following:

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1. Capital contribution of at least €400,000 in a company with registered seat or establishment in Greece, excluding Portfolio Investment Companies, for the acquisition of shares by capital increase or acquisition of bonds which are being admitted to trading on a regulated market or to a multilateral trading facility operating in Greece;
2. Capital contribution of at least €400,000 for the acquisition of shares by capital increase in a Real Estate Investment Company of Article 21 of Law 2778/1999 which aims exclusively to investments in Greece;
3. Capital contribution of at least €400,000 for the acquisition of shares in a Venture Capital Investment Company of Article 5 of Law 2367/1995 or to a Venture Capital Mutual Fund of Article 7 of Law 2992/2002 provided that the abovementioned Alternative Investments Funds are aiming to invest exclusively in companies with registered seat or establishment in Greece;
4. Acquisition of Greek State's bonds of at least €400,000 with remaining duration at the date of the acquisition of at least three (3) years, through a credit institution seated in Greece which is also acting as a trustee;
5. Term Deposit of at least €400,000 in a Greek credit institution with a minimum term of one year and a permanent renewal order;
6. Purchase of shares, corporate bonds or bonds of the Greek State which are being admitted to trading or are being traded on regulated markets or to a multilateral trading facility operating in Greece of at least €800,000.
7. Purchase of share parts of at least €400,000 in a mutual fund which has been established in Greece or in another country and aims to invest exclusively in shares, corporate bonds or bonds of the Greek State, which are being admitted to trading or are being traded on regulated markets or to a multilateral trading facility operating in Greece provided that: (i) the amount of the assets of the mutual fund is at least €3,000,000 and (ii) the mutual fund and its administrator are licenced by the competent authority in the country of its registered seat, which for non-EU member states should be a member of IOSCO and which should have entered into a bilateral agreement for the exchange of information with the Hellenic Capital Markets Commission; and
8. Acquisition of parts or shares of at least €400,000 in an Alternative Investments Funds (AIF) which has been established in Greece or another EU member state and invests exclusively in real estate in Greece, provided that (i) the amount of the assets of the AIF is at least €3,000,000 and (ii) the AIF and its administrator are licensed by the authority

Law 4605/2019 provides that the realisation and holding of any of the above-mentioned investments must be certified by the competent person provided for each category of investment in the said law.

For specific types of investments (under c, f, g and h above), the opening of an exclusive account in a credit institution established in Greece is required and the disbursement of amounts from this account is subject to restrictions.

In the case of a Greek legal entity proceeding to any investment under (a) to (f) above, and its shareholder is a non-EU citizen, such person may lawfully request his entry and residence in Greece, provided that such shareholder holds the total (100%) of the company's shares. In case, that the investment is performed by a non-EU legal entity, the entry and residence in Greece of up to non-EU citizens who are shareholders or executives of the said entity is permitted, depending on the amount of the investment.

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The competent authority for the issuance and renewal of the residence permits granted to non-EU citizens based on the grounds referred to herein, is the Department of Immigration Policy of the respective Ministry. The initial duration of the residence permit granted for the aforementioned investments is five years and it may be renewed for another five years each time provided that the holding of the investment is certified and the remaining conditions for the granting of such residence permit continue to apply. The Residence Permits for Investors do not establish any right to work. The Investor acquiring a residence permit may be accompanied by his family members who are granted individual residence permits of equal duration with the Investor's residence permit.

The above provisions in relation to the new options for granting residence permits to foreign investors in Greece will enter into force from 1 July 2019.

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