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What's new?

Summary of updates/Changes to R&D and government incentives from 1 January 2019 through 31 October 2020

- Law 4712/2020 increases the R&D expenditure super deduction from 130% to 200% and accelerates the certification procedure with the option to submit an audit report on the certification of the expenditure by a certified auditor-accountant or audit company.
- Law 4633/2019 introduces the ability to offset pharmaceutical expenditure clawbacks with research and development (R&D) and investment expenses. Eligible parties must submit an audit report from a certified auditor-accountant or audit company certifying their expenditure.
- Development laws. A certified auditor-accountant or audit company may certify the completion of investments and the commencement of productive operations, at the option of the taxpayer and at the taxpayer's request. The provision applies to all approved investments under the current and previous development laws.
- Amendments to previous Development Laws 3299/2004 and 3908/2011 and current Development Law 4399/2016. Recent legislation harmonizes several items with the EU Commission's General Block Exemption Regulation (GBER) (Regulation 651/2014), provides more flexibility related to cash flow, extends the eligibility criteria for investments, and extends the time to complete investments.
- Strategic Investments Law 4608/2019 harmonizes several items with the EU GBER and provides more categories of aid.
- New grant program for SMEs that will invest up to EUR 3 million in waste recycling and carry out waste treatment and recovery operations (open until November 2020).

Featured government incentives

Incentive name	Description	Maximum percentage	Qualification standards	Key exclusions or issues
R&D tax super deduction	New legislation increases the R&D additional deduction from 30% to 100%, resulting in a super deduction of 200%, also providing an optional accelerated certification procedure (Art 22A L.4172/2019, as modified by L.4712/2020)	200% super deduction of eligible R&D expenditure	Ministerial decision defines eligible R&D activities, based on OECD's Frascati Manual Eligible R&D expenditure includes opex and tax depreciation costs of buildings, equipment and laboratory instruments, and specialized software	Eligible expenditure must not be co-financed by any other national, European, or international body
Pharmaceutical clawback reduction	Marketing authorization holders (MAHs) for pharmaceuticals and pharmaceutical companies can offset pharmaceutical clawback with R&D expenditure and investment costs for the development of pharmaceutical products, services, or production lines (Article 20 of Law 4633/2019, as implemented by Joint Ministerial Decision 4577/24-01-2020)	100%, depending on available budget	Opex and capex related to phases 1, 2, and 3 clinical trials and R&D in the field of new technologies, including software development Capex related to investments	An audit report from a certified auditor-accountant or audit company certifying the expenditure must be submitted
Development Law 4399/ 2016	A framework of eight national state aid schemes for private investments with an overall budget of EUR 3 billion in tax exemptions (until 2030) and EUR 480 million in cash grants (until 2021). Incentives (e.g., tax exemptions, employment subsidies, and cash grants) are granted mainly for new capex investments in Greece	55%	Capex of investment plans or operating expenses for new hires (as part of an investment plan)	The state aid is provided to new investments in specific sectors
Law 4608/2019 for strategic investments	Law 4608/2019 aims to create an attractive and effective instrument for large investments (strategic investments) in all sectors of the economy, offering a range of incentives (spatial, tax, licensing, subsidies) as well as a reliable, transparent, and fast process. Financial incentives include: • Tax relief • Accelerated tax depreciation of fixed assets: 100% • Super deduction at a rate of 130% for machinery depreciation (only for manufacturing sectors) • Subsidies • Grants	Tax reliefs depends on the type of strategic investment, the type of incentive, and the state aid category requested based on the notification thresholds of the GBER or the European Commission's approval Subsidies for new hires who are disadvantaged/ disabled: EUR 5 million/10 million per year Grants for R&D: Up to EUR 40 million per project, depending on the R&D category	Categories of eligible expenditure as defined in the EU GBER	Investments in any sector of the economy may be eligible provided the investment is considered a "strategic investment" Application must be submitted before implementation of the investment commences

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Featured government incentives (continued)

Incentive name	Description	Maximum percentage	Qualification standards	Key exclusions or issues
Establishment of local branches—Law 89/1967	Law 89/1967, as modified by Law 4605/2019, provides incentives for establishing and operating shared services centers in Greece. Depending on the structure, branch may be a cost-plus entity	Depends on the type of expenditure: • Subsidies for new hires (special conditions): EUR 1.4 million • Grants for training: EUR 250,000 • Grants for ICT equipment and software: EUR 200K,000	Capex and opex of investment plans	The branch must start a new activity, not be active in Greece for the two previous years, and must invoice a group entity abroad
Cash rebate for audiovisual works	Grants are available to eligible investment plans exclusively for the production of audiovisual works. These can include film, television, animation, documentaries, and digital games (Law 4487/2017, as specified by Joint Ministerial Decision 923/28-3-2018)	40% cash grant	Opex and leasing Capex related to audiovisual works	Aid may be combined with another state aid and should not cumulatively exceed a certain percentage of the total production cost of the audiovisual work
Tax super deduction for audiovisual works	A tax super deduction is available for eligible audiovisual works. These can include film, television, animation, documentaries, and digital games (Article 71E of L. 4172/2013, as specified by Joint Ministerial Decision 1007/09-01-2019)	130% super deduction	Opex and leasing Capex related to audiovisual works	Eligible expenditure should not exceed 80% of the total production cost of the audiovisual work

Industries most often affected by government incentives in country

	Technology, Media & Telecom		Financial Services
●	Telecom, Media & Entertainment		Banking & Capital Markets
●	Technology		Insurance
	Consumer		Investment Management
●	Consumer Products		Real Estate
●	Retail, Wholesale & Distribution		**Life Sciences & Health Care**
	Automotive		Health Care
●	Transportation, Hospitality & Services	●	Life Sciences
	Energy, Resources & Industrial		**Government & Public Services**
	Power & Utilities		Health & Social Care
●	Mining & Metals		Defense, Security & Justice
●	Oil, Gas, & Chemicals		Civil Government
●	Industrial Products & Construction		International Donor Organizations
			Transport

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Type	National incentive?	State, provincial, regional or local incentives?[1]	Filing deadlines imposed?	Is the claim made in advance or arrears?[2]	Nature of incentive	Maximum benefit available to large enterprises	Maximum benefit available to small and medium-sized enterprises
Innovation							
Research & development (R&D)	🟢	🔴	🟢 ⚪	**National:** Arrears **Local:** Not Applicable	All legal entities performing R&D activities Eligible expenditure include: • Wage costs • Contractual research (up to 70% of total R&D expenditure) • Tax depreciation costs of buildings • Tax depreciation costs or lease of equipment and laboratory instruments • Tax amortization costs of specialized software • Travel costs • Consumables • Patent development costs • Subscriptions to databases/e-libraries • Operating expenses	200% super deduction and preferential amortization	200% super deduction and preferential amortization
Patent box	🟢	🔴	🔴 ⚪	**National:** Arrears **Local:** Not Applicable	Any legal entity with profits derived from the sale of products and/or services that are patent-protected The patent box regime provides a three-year tax deferral for profits derived from products/services protected by an international patent owned by the taxpayer. The period starts in the first year that income is collected from the sale of these products/services	Tax deferral for the first three years of income attributable to qualifying patents	Tax deferral for the first three years of income attributable to qualifying patents
R&D grant: national or EU	🟢	🔴	🟢	Advance	All legal entities performing R&D activities in national priority sectors based on the National/Regional Innovation Strategies for Smart Specialization (RIS3) 2014-20: • Agrifood-nutrition • Health and pharmaceuticals • Information technology and telecommunication services • Energy and its cross-cutting implications (transport, industrial production, etc.) • Environment and sustainability • Transport and logistics • Materials and construction • Culture, tourism, and creative economy	Cash grant: • R&D grant (EU): Up to 100% funding • R&D grant (national): Varies from 25% up to 65% funding	Cash grant: • R&D grant (EU): Up to 100% funding • R&D grant (national): Varies from 25% up to 65% funding

Key: 🟢 = PERMANENT INCENTIVE (|) = TEMPORARY INCENTIVE (|) = NEGOTIABLE 🔴 = NO 🟡 = LIMITED APPLICABILITY ⚪ = NOT APPLICABLE

Notes:

1. Green means that this incentive is currently in effect. Yellow means that the incentive has limited applicability, i.e., the requirements for this incentive limit its value to most companies. Red means that there is no incentive.
2. If the response is advance, this means that the government must approve the award of the incentive prior to the commencement/completion of the project/activity. If the response is arrears, this means that the award of the incentive is determined at the end of the tax period or after the completion of the qualifying project or activity. Most tax incentives are considered to be claimed in arrears because they are reported on tax returns.

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Innovation (continued)							
R&D grant: state/province	NO	PERMANENT INCENTIVE	PERMANENT INCENTIVE	Advance	All legal entities performing R&D activities in regional priority sectors based on the Regional Innovation Strategies for Smart Specialization (RIS3) 2014-20	Cash grant: • R&D grant (EU): Up to 100% funding • R&D grant (national): Varies from 25% up to 65% funding	Cash grant: • R&D grant (EU): Up to 100% funding • R&D grant (national): Varies from 25% up to 65% funding
R&D shared services centers	PERMANENT INCENTIVE	NO	NO	**National:** Advance **Local**: Not Applicable	Existing or new branches of foreign entities and existing or new Greek companies providing services in: • Consulting • Accounting • Quality control • Drafting of studies, plans, and contracts • Advertising and marketing • Data processing • Business intelligence • R&D • Software development, programming, and information and communications technology (ICT) support • Data storage and management • Supplier, customer, and supply chain management • Human resources management and training • Computer-based call center activities Eligible expenditure include subsidies for new hires wages, grants for training, R&D, ICT equipment and software	Varies	Varies
Pharmaceutical clawback reduction	PERMANENT INCENTIVE	NO	PERMANENT INCENTIVE NOT APPLICABLE	**National:** Arrears **Local:** Not Applicable	Marketing authorization holders (MAHs) and their local representatives, as well as pharmaceutical companies with mandatory clawback payments, may benefit from this incentive Eligible R&D expenditure include: • Buildings/Infrastructure • Equipment/Instruments • Intangible assets • Personnel costs • External researchers • Clinical trial expenses Eligible investment expenditure include: • Capital expenditure for tangible assets • Capital expenditure for intangible assets	100%, depending on available annual budget	100%, depending on available annual budget

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Investment							
Capex (Development Law 4399)	● Permanent incentive	● No	● Permanent incentive ● Not applicable	**National:** Advance **Local:** Not Applicable	All legal entities, as stated in the general rules of the law, that intend to implement an eligible investment plan. Investments must have an "incentive effect" The minimum budget of an investment depends on the size of the beneficiary (large enterprises: EUR 500,000, medium: EUR 250,000, small: EUR 150,000, micro: EUR 100,000) Eligible costs include tangible and intangible assets such as buildings-landscape, machinery, other equipment, on-site vehicles, software, etc.	Varies from 10% up to 35% of state aid intensity	Varies from 20% up to 55% of state aid intensity
Capex (Law 4608/2019 for strategic investments)	● Permanent incentive	● No	● No ● Not applicable	**National:** Advance **Local:** Not Applicable	All legal entities that intend to implement a strategic investment are eligible Strategic investments are categorized mainly based on their total budget and the new employment created, measured in full-time equivalents (FTEs): • Strategic Investments 1: EUR 100 million or EUR 40 million and 75 FTE • Strategic Investments 2: EUR 30 million or EUR 25 million and 50 FTE • Anchor investments: An internationally renowned entity or EUR 200 million and 200 FTE • "Fast-track" strategic investments: EUR 20 million and 30 FTE Incentives include special spatial planning permits, tax relief, accelerated tax depreciation, super depreciation, accelerated licensing process, subsidies for new hires, and grants for R&D	Varies	Varies
Establishment of local branches law	● Permanent incentive	● No	● No ● Not applicable	**National:** Advance **Local:** Not Applicable	Existing or new branches of foreign entities and existing or new Greek companies providing services in: • Consulting • Accounting • Quality control • Drafting of studies, plans, and contracts • Advertising and marketing • Data processing • Business intelligence • R&D • Software development, programming, and ICT support • Data storage and management • Supplier, customer, and supply chain management • Human resources management and training • Computer-based call center activities Subsidies for new hires wages, grants for training, R&D, ICT equipment and software	Varies	Varies

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Investment (continued)							
Employment: Development law wage subsidies	Permanent incentive	No	Permanent incentive / Not applicable	**National:** Arrears **Local:** Not Applicable	Eligible costs include the wage costs of new positions created as a result of capex investment, calculated over a period of two years from the creation of each position	Varies from 10% up to 35% of state aid intensity	Varies from 20% up to 55% of state aid intensity
Employment: Tax incentives for the creation of new jobs	Permanent incentive	No	Permanent incentive / Not applicable	**National:** Arrears **Local:** Not Applicable	Relief from social security contributions related to the creation of new full-time positions for young people up to 30 years old and long-term unemployed individuals	Varies	Varies
Cash rebate for audiovisual works	Permanent incentive	No	No / Not applicable	**National:** Arrears **Local:** Not Applicable	Beneficiaries of the aid scheme for audio-visual works (film, television, animation, documentaries, and digital games) are: a) Enterprises located or having a subsidiary in Greece and operating for: • The production or the execution of production of audiovisual works; or • The cross-border production of audiovisual works b) Domestic or foreign enterprises that produce audiovisual works but only if they collaborate with an enterprise located or having a subsidiary in Greece and operating for the production of audiovisual works or parts thereof Eligible expenses should not exceed 80% of the total production cost of the audiovisual work (eligible production cost) and may include: • Costs for intellectual property rights • Wage costs for crew, cast, and executive producer • Design and implementation expenses • Technical equipment expenses • Travel, accommodation, and food expenses • Montage—editing expenses • Other expenses	40% of production costs	40% of production costs
Tax super deduction for audiovisual works	Permanent incentive	No	Permanent incentive / Not applicable	**National:** Arrears **Local:** Not Applicable	All legal entities performing audiovisual works (film, television, animation, documentaries, and digital games) Eligible expenses should not exceed 80% of the total production cost of the audiovisual work (eligible production cost) and may include: • Costs for intellectual property rights • Wage costs for crew, cast, and executive producer • Design and implementation expenses • Technical equipment expenses • Travel, accommodation, and food expenses • Montage—editing expenses • Other expenses	130% super deduction	130% super deduction

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Environmental sustainability							
Sustainability: Tax super depreciation for energy efficiency and water saving	Permanent incentive	No	Permanent incentive Not applicable	**National:** Arrears **Local:** Not Applicable	Any legal entity investing in eligible Capex related to: • Energy efficiency (buildings/ constructions, installations, machinery and equipment not including computers and software, other interventions in the production processes) • Water saving (buildings/ constructions, installations, machinery and equipment, computers, software, other water saving interventions to replace existing systems)	200% super depreciation (up to 10 percentage points if initial depreciation rate is higher than 10%)	200% super depreciation (up to 10 percentage points if initial depreciation rate is higher than 10%)
Sustainability: Environmental infrastructures (ESPA 2014-2020)	Temporary incentive	No	Permanent incentive Not applicable	**National:** Advance **Local:** Advance	Existing or newly established enterprises that plan an investment in waste management and recycling activities (collection, transportation, temporary storage, processing, recovery). Eligible costs include: buildings and land, machinery and equipment, vehicles, certifications and laboratory testing, patent protection, exhibitions and trade fairs, software, technical support	The incentive is available only for SMEs	Depends on region of investment, size of beneficiary, and cost category

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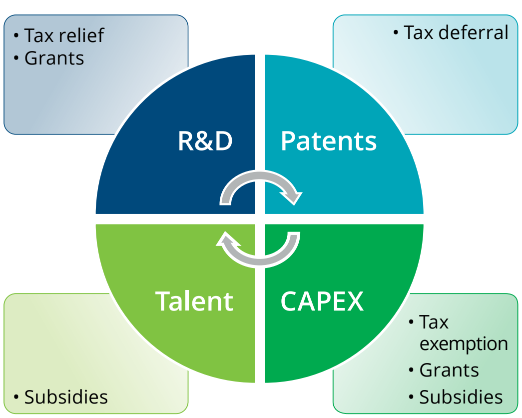
Country background

The corporate tax rate in Greece is 24%. The Greek government has introduced a series of new legislative measures designed to achieve economic growth, accelerate development, and increase innovation while also aiming to tackle the effects of COVID-19.

Greece currently offers a host of incentives aimed at encouraging the growth of R&D-intensive businesses, including super deductions, innovation grants, employment incentives (payroll subsidies), and a patent box. Incentives also are available to encourage capital expansion, higher energy efficiency, and job creation. The definitions and criteria for R&D expenditure are aligned with the OECD guidelines (Frascati Manual).

Greece encourages capital expansion, higher energy efficiency, and employment opportunities through a wide range of government incentive programs. Greece offers state aid instruments that are compliant with EU General Block Exemption Regulation 651/2014 (GBER) to private sector companies operating in the country. Main national and regional priorities for EU cofounding are defined in ESPA 2014-20. Development laws are the established state aid instrument for medium capital expenditure (capex) investments. Large investments may also claim certain types of aid compliant with GBER 651/2014 as well as other incentives (spatial, fast licensing) under the framework for attracting strategic investments. Environment-related capex is eligible for grants under various ESPA programs, as well as tax benefits (super depreciation). Employment costs that result from capex also are eligible for subsidies, while a yearly increase in average headcount and employment costs is eligible for a tax incentive.



Innovation Incentives

R&D tax super deduction and accelerated depreciation

Most operating expenses incurred in R&D activities undertaken in Greece qualify for a 200% super deduction. Capital expenditure related to R&D (R&D equipment, instruments, and software) will be subject to a three-year accelerated depreciation equal to 40% per year, which also is eligible for the 200% super deduction. If the company cannot utilize the tax benefit in the current year, it may be carried forward for five years.

Certification procedure

The taxpayer must submit a report to the General Secretariat of Research and Technology (GSRT) specifying the R&D expenses incurred during the fiscal year. The report is due at the time the annual corporate income tax return is filed. The GSRT determines whether the submitted expenses qualify and will issue a certificate notifying the taxpayer of the approved R&D expenses within 10 months from the date of submission.

To accelerate the GSRT certification process, the beneficiary can elect to submit an audit report from a certified auditor-accountant or audit company certifying the R&D expenditure incurred in the previous tax year, along with the necessary supporting documentation, before filling the annual corporate income tax return.

In this case, the GSRT will audit and certify only the subject matter of the R&D project, i.e., whether the expenses are related to R&D activities, and it will issue a certificate within six months. If the GSRT delays the issuance of the certificate beyond the six-month period, the R&D expenditure will be deemed certified.

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Eligible activities and qualifying costs

Eligibility for tax incentives is broad and not limited to particular industries.

Activities that qualify for the tax super deduction and accelerated amortization include basic research, applied research, and experimental development. The main eligibility criteria are the presence of novelty and the elimination of scientific/technological uncertainty. Qualifying activities include:

- Design and construction of prototypes;
- Construction and operation of pilot projects;
- Industrial design necessary for the implementation of research activities (restrictions apply);
- Industrial engineering;
- Development of prototype and innovative software (subject to certain restrictions); and
- Clinical trials of phases 1, 2, and 3 for new drugs, vaccines, and treatments. Clinical trials of phase 4 should be treated as R&D only if they bring about a further scientific or technological advance.

Expenses that qualify for the super deduction include:

- Tax depreciation costs of buildings, cost or lease of equipment, and laboratory instruments;
- Operating expenses;
- Wage costs;
- Travel costs;
- Consumables;
- Tax amortization costs of specialized scientific software;
- Patent development costs;
- Subscriptions to databases/e-libraries; and
- Contractual research (up to 70% of total R&D expenditure).

Contract research may be conducted by private laboratories and enterprises, public research centers and laboratories, and educational institutions.

Super deductions are not available to the extent subsidies fund an expenditure that otherwise may quality for the super deduction.

There are no specific jurisdictional restrictions on intellectual property (IP), but the company must be a Greek tax-paying entity.

There is no specific law requiring that qualified research be conducted in Greece, but if research is to be conducted outside Greece, this must be disclosed to the GSRT and could affect whether the GSRT issues a certificate approving the R&D expenses.

Pharmaceutical clawback reduction

Pharmaceutical clawbacks can be reduced by offsetting R&D expenses and investment costs for the development of pharmaceutical products, services, or production lines.

Certification procedure

Eligible parties must submit an application to the GSRT after the end of the tax year and no later than within the first quarter of the following year.

The application must include an audit report from a certified auditor-accountant or audit company certifying the expenditure.

Eligible activities and qualifying costs

Activities that are eligible for clawback offsetting include:

- Pharmaceutical R&D activities: The processes necessary to bring a new pharmaceutical drug to market (in compliance with EU regulations and national law), e.g., phases 1, 2, and 3 of clinical trials, R&D in the field of new technologies, laboratory R&D pharmaceutical formulations, and the development of research application software; and

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- Activities related to investment plans for the development of products, services, or production line, e.g., installing new or modernizing existing facilities to improve the quality of the products manufactured and improving existing production processes and/or increasing the capacity of the production process.

Eligible R&D expenditure include:

- Remuneration of salaried staff;
- External personnel fees;
- Consultant/subcontractor fees;
- Building expenditure (purchase, construction, extension or repair, renovation);
- Purchase costs for mechanical equipment, such as laboratory infrastructure instruments;
- Purchase costs for intangible assets (scientific packages/computer programs, specialized software licenses);
- Consumable purchases; and
- Clinical trial costs.

Eligible expenditure for investment activities include:

- Building expenditure;
- Machinery purchases or leasing costs;
- Expenses for special and mechanical installations; and
- Intangible assets purchase costs.

Patent box

Under the patent box, the first three years of profits attributable to international patents are not subject to tax. The General Secretariat of Industry (GSI) is the competent authority for approval of a patent box proposal, following the Patent Office's positive recommendation for the validity of the international nature of the patent. The tax for the covered profits is deferred indefinitely, as the payer aggregates the eligible profits in special "tax-free" reserves, which are taxed when used.

Grant incentives

R&D grants (national and regional)

The Partnership Agreement for the Development Framework 2014-2020 (known as ESPA 2014-20) provides incentives to the private sector, mainly in the form of grants, and is primarily targeted at small and medium-sized enterprises (SMEs). It constitutes the main strategic plan for growth in Greece with the contribution of significant resources exceeding EUR 20 billion, originating from the European Structural and Investment Funds (ESIF). This program is implemented as a series of funding initiatives, structured in seven sectoral, 13 regional, and six territorial programs. The financing priorities are cross-sectoral and focus on improving business competitiveness, the development of human resources, protecting the environment, modernizing infrastructure, and improving public administration.

Cash grants from the ESPA 2014-20 framework also are available to eligible R&D projects. The grants are provided via a series of programs that are managed by the GSRT with benefits that can range from 25% up to 80%[1] of qualifying expenditure, depending on the size of the beneficiary and the type of expenditure.

Cash grants for R&D also are available through Law 460/2019 and Law 89/1967, described in the "Government incentives" section below.

Investment Incentives

Capex—Development Law 4399

Development Law 4399/2016 is a framework for establishing eight national state aid schemes for private investments, with an overall budget of EUR 3 billion in tax exemptions (until 2030) and EUR 480 million in cash grants (until 2021), and provides

1. The range of funding for large companies is 25% to 65% and, for SMEs, 35% to 80% of the qualifying investment.

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incentives (e.g., tax exemptions, employment subsidies, and cash grants) mainly for capex investments. The minimum budget of a qualifying investment plan depends on the size of the beneficiary, e.g., for large enterprises, the minimum budget is EUR 500,000. The beneficiary may receive state aid, ranging from 10% to 55% of the eligible budget, depending on the size of the beneficiary and the geographic location of the investment. State aid must have an incentive effect, i.e., the beneficiary must submit an application before implementation of the investment begins.

An eligible investment plan may address any of the following:

- Setting up a new establishment;
- Extension of the capacity of an existing establishment;
- Diversification of the output of an establishment into products not previously produced in the establishment;
- Fundamental change in the overall production process of an existing establishment; and
- Acquisition of assets belonging to an establishment that has closed.

Investments under Development Law 4399 or previous development laws (3299/2004 and 3908/2011) are subject to an optional audit by certified auditor-accountants or audit companies, who certify the completion of investments according to the respective inclusion decision.

Capex—Law 4608/2019 for strategic investments

Strategic investments are investments in internationally tradable products or services, characterized by extroversion, innovation, competitiveness, conservation of natural resources, and high added value. Due to their major significance for the national economy, such investments can generate important quantitative and qualitative results for increasing employment, restructuring production, and enhancing the natural and cultural environment of the country.

Qualifying projects considered as strategic investments include:

- Projects with capital expenditure exceeding EUR 100 million (Strategic Investments 1);
- Projects with capital expenditure exceeding EUR 40 million that create at least 75 new full-time equivalents (FTEs) (Strategic Investments 1);
- Projects exceeding EUR 30 million (or EUR 25 million for investments in designated industrial areas) that create at least 50 new FTEs (Strategic Investments 2);
- Projects of Global or EU sector leaders and projects in the manufacturing and tourism sectors exceeding EUR 200 million that create at least 200 new FTEs (Anchor Investments);
- Projects exceeding EUR 20 million that create at least 30 new FTEs (Fast-Track Strategic Investments); and
- Public-private partnerships (PPPs) under the European Fund for Strategic Investment (EFSI) and EU Projects of Common Interest (PCIs).

Qualifying projects can receive a host of benefits, including accelerated licensing and permits, special spatial provisions (providing favorable deviations from the applicable building terms and land-use restrictions), special tax rules, subsidies for new hires wages, grants for R&D, and 10-year EU residence permits. State aid must have an incentive effect, i.e., the beneficiary must submit an application before implementation of the investment commences.

Employment—Development law wage subsidies

Development Law 4399/2016 also provides a job creation cost subsidy for new jobs created as a result of the implementation of an investment project. This means that beneficiaries must implement a minimum investment capex (depending on their size) and plan the extra headcount needed and the associated wage costs. Eligible wage costs are calculated over a period of two years from the creation of each position.

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Employment—Tax incentives for the creation of new jobs

According to article 71d of Tax Law 4172/2013, an employer's social security contributions for the creation of new full-time jobs are deducted from the enterprise's gross revenues after being increased by 50% and up to a maximum of 14 times the established minimum wage, provided the following conditions are met:

a. Increase in the average number of employees during the year of recruitment compared to the average number in the previous year; and
b. Increase in the total employee wage costs during the year of recruitment compared to the costs in the previous year.

The tax incentive is effective as from tax year 2019 and applies for the creation of new full-time positions for young people up to 30 years old at their recruitment date and long-term unemployed individuals.

Apart from the year of recruitment (or conversion of a contract into a full-time employment contract), the super deduction incentive applies for another four consecutive years, provided the average number of employees and the total employee wage costs for each year are not lower than those in the previous year.

Establishment of local branches (shared services centers)

To establish a Greek branch under Law 89/1967, a special operation license is issued by the government. Under a ministerial decision published in June 2019, such entities may conditionally receive state aid support for specific expenses, in the form of cash grants. The state aid also is provided to such branches already established in Greece if they engage in a new activity that results in new jobs.

Eligible entities are foreign or Greek entities establishing a new activity in:

- Consulting services;
- Accounting services;
- Quality control;
- Drafting of studies, plans, and contracts;
- Advertising and marketing;
- Data processing;
- Business intelligence;
- R&D;
- Software development, programming, and information and communications technology (ICT) support;
- Data storage and management;
- Supplier, customer, and supply chain management;
- Human resources management and training; and
- Computer-based call center activities.

State aid follows EU GBER 651 rules and includes:

- Subsidies for new hires wages (employees under special conditions);
- Grants for training;
- Grants for R&D; and
- Grants for ICT equipment and software.

Cash rebate for audiovisual works

Law 4487/2017, as specified by Joint Ministerial Decision 923/28-3-2018, provides state aid to eligible investment plans exclusively for the production of audiovisual works (film, television, animation, documentaries, and digital games), concerning the whole or part of the production process, i.e., the production and technical processing/post-production stages of an audiovisual work, regardless of its distribution and broadcasting method to the end-viewer.

Investment plans are entitled to a 40% cash grant on the total eligible expenses of an audiovisual work. Beneficiaries must submit an application to the National Center for Audiovisual Media and Communication (EKOME).

Greece

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Eligible expenses should not exceed 80% of the total production cost of the audiovisual work (eligible production cost) and may include:

- Costs for intellectual property rights;
- Wage costs for crew, cast, and executive producer;
- Design and implementation expenses;
- Technical equipment expenses;
- Travel, accommodation, and food expenses;
- Montage—editing expenses; and
- Other expenses.

Tax super deduction for audiovisual works
Article 71E of Law 4172/2013, as specified by Joint Ministerial Decision 1007/09-01-2019, introduces a 130% super deduction for expenditure related to audiovisual works (film, television, animation, documentaries, and digital games).

Beneficiaries must submit an application to EKOME. Eligible expenses should not exceed 80% of the total production cost of the audiovisual work (eligible production cost) and may include:

- Costs for intellectual property rights;
- Wage costs for crew, cast, and executive producer;
- Design and implementation expenses;
- Technical equipment expenses;
- Travel, accommodation, and food expenses;
- Montage—editing expenses; and
- Other expenses.

The deduction from taxable income combined with any other type of aid for the audiovisual project cannot exceed 50% of the project's production cost.

Environmental Sustainability Incentives

Tax super depreciation for energy efficiency and water saving
According to Tax Law 4172/2013, a super depreciation of 200% is available for assets related to energy efficiency and/or water saving. If the annual depreciation rate is over 10%, the super depreciation is limited to an extra 10%. Assets acquired after 14 June 2018 are eligible and are subject to the super depreciation as from the date the relevant engineering study report is submitted to the Ministry of Energy.

Qualifying categories of assets for energy efficiency are:

- Buildings;
- Equipment (not including PCs and software); and
- Other energy saving interventions in the production process.

Qualifying categories of assets for water saving are:

- Buildings;
- Equipment;
- Hardware and software; and
- Other water saving interventions replacing existing systems.

"Environmental infrastructures" (ESPA 2014–2020)
ESPA's Operational Programme "Competitiveness, Entrepreneurship and Innovation," which includes a call for "environmental infrastructures" that is open until November 2020 with a total budget of EUR 40 million, aims to provide aid to existing or newly established SMEs that plan to invest in waste management and recycling activities (collection, transportation, temporary storage, processing, recovery).

Eligible expenditure include buildings and land, machinery and equipment, vehicles, certifications and laboratory testing, patent protection, exhibitions/trade fairs, software, and technical/consulting support. The total budget for each single investment project may range from EUR 400,000 to EUR 3 million. Eligible beneficiaries may receive grants under the program; the subsidy rate varies from 20% to 55% and depends on the size of the company, the investment's geographic region, and the category of expenditure.