

The new provisions being voted to promote strategic investments

Until the end of November, the draft law of the Ministry of Development was under public consultation regarding, inter alia, the amendment of Law 4864/2021 entitled "Strategic Investments and improvement of the investment environment through the acceleration of procedures in private and strategic investments, creation of a framework for spin-off companies and other urgent provisions for development". Specifically, Part F of the draft Law (Articles 61-66) provides for the provisions for the promotion of "flagship investments" by amending Law 4864/2021, the most important being that of Article 61. The term "flagship investments" is a subcategory and is included in 'strategic investments'.

The novelty-addition of the new draft law is that the article 61 of the draft Law additionally identifies as Flagship Investments of Exceptional Importance:

a) investments for the production, recovery, extraction, refining, and processing or recycling of critical raw materials of strategic importance, such as aluminium, lithium, gallium, germanium, etc. in accordance with Annex 1, Section 1 of Regulation (EU) 2024/1252. The provision of the draft law is a measure implementing the requirements of Regulation (EU) 2024/1252 establishing a framework for ensuring a secure and sustainable supply of critical raw materials, with the aim of ensuring access to a secure and sustainable supply of critical raw materials and the economic resilience and open strategic autonomy of the Union.

b) investments promoting the circular economy, i.e. the reuse, repair and recycling of products, which is one of the key objectives of the European Green Deal. This is the EU Strategy starting in 2019 to reduce waste, conserve resources and generally create a cleaner, healthier and climate-neutral Europe

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and **c**) investments that promote the development of the shipbuilding industry, in the context of the Government's efforts to strengthen it and its influence on the entire Greek economy.

According to Chapter C of Law 4864/2021, the characterization of an investment as a strategic investment offers investment incentives for its realization, such as location incentives (*article 7*), accelerated licensing incentives (*article 9*), cost support incentives (*article 10*) and tax incentives (*article 8*). Particularly with regard to tax incentives, the new draft law provides for the possibility for those described as "strategic" investments to receive "alternatively or cumulatively" the tax incentives of Article 8 par. 2 of Law 4864/2021 and not exclusively "alternatively" as stated in the article under amendment in its current form. Therefore, the further important addition of the draft law of the draft law amending Law 4864/2021 is that now the tax incentives for "strategic" investments can be granted even cumulatively.

The purpose of including the above-described investments that are of key importance for the National and European economy in Law 4864/2021 is to strengthen the existing investment support scheme and ultimately develop the Greek economy.



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