



ROKAS

Articles for Lexology

Date: January 2024

TOPIC:

**The newly voted provisions to  
promote strategic investments**

Authors:

**Maria Katsioti / Associate**



**Angela Moysidou / Senior Associate**



**Andreas Papastathis / Junior Partner**



On December 12, 2024, the newly voted **Greek Law 5164/2024** (*hereinafter referred to as the “New Law”*) was published in the Greek Government Gazette. This New Law pertains, among other things, to **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 New Law (Articles 60-65) provides for the provisions for the promotion of “*Flagship Investments*” by

# ROKAS

amending Law 4864/2021, the most important being that of Article 60. The term “*Flagship Investments*” is a subcategory and is included in “*Strategic investments*”.

The key novelty-addition of the New Law is that **its article 60** additionally identifies as Flagship Investments of Exceptional Importance (*subcategory of Strategic Investments*) the following investment categories:

**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 provisions of the New Law inducts measures 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. To support the EU's goal of achieving climate neutrality by 2050, the draft law provides benefits, and incentives for these investments, as detailed below.

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 Flagship Investment and generally as a Strategic Investment offers benefits and incentives for its realization, including:

**(i) Location Incentives (Article 7 L. 4864/2021):** These enable the Ministry of Development and Investments to draw up Special Plans for the Spatial

# ROKAS

Development of Strategic Investments, either in single areas or through permits for the compulsory expropriation of real estate or the establishment of rights in rem, if deemed necessary for the implementation and viability of the investment plan.

**(ii) Fast-Track Authorization (Article 9 L. 4864/2021):** This introduces a deadline of 45 calendar days for issuing any required authorizations.

**(iii) Cost Aid Incentives (Article 10 L. 4864/2021):** These include grants for specific categories of costs, such as the recruitment of workers with disabilities or costs for research and development projects, subject to the limitations set out in the relevant article.

**(iv) Tax Incentives (Article 8, Paragraphs 1 and 2 L. 4864/2021, as amended by Article 62 of New Law):**

The first tax incentive allows for the stabilization of the income tax rate in force on the date of characterization for 12 years from the completion of the investment project, with the possibility of benefiting from any reduced rate in case of its reduction. This incentive is granted upon decision by ICSI (*interministerial committee for strategic investments*).

The second tax incentive offers the alternative possibility of either exemption from the payment of income tax resulting from all the activities of the enterprise or the acceleration of tax depreciation of fixed assets included in the approved investment plan.

Regarding the second tax incentive, **the Article 62 of New Law** (*redefining Article 8, Paragraphs 2 and 3 of L. 4864/2021*) provides that investments characterized as "*Strategic*" can now receive these tax incentives "*alternatively or cumulatively*" rather than exclusively "*alternatively*" as stated in the article before the amendment by the New Law. This amendment allows for the cumulative granting of these tax incentives based on a decision by the ICSI (*interministerial committee for strategic investments*).

# ROKAS

Furthermore, **Article 61 of the New Law 5164/2024** (*redefining Article 3, Paragraph 3 of L. 4864/2021*) regulates the issue of the delimitation, re-delimitation or arrangement of watercourses within the area where Flagship Investments are being developed in a manner corresponding to the investments characterized as "Strategic Investments 1", as referred to in Article 2 par. 1 a L.4864/2021. The aim is to develop and complete the Flagship Investments in a manner compatible with the protection of the environment.

Finally, **Article 64 of the New Law 5164/2024** (*redefining Article 12, Paragraph 3 of L. 4864/2021*) requires that an application by an interested investment entity for the characterization of its investment plan as a Strategic Investment must be accompanied by a file. This file should include, among other documents, a business plan and a report on increasing critical European raw materials, in order to document that it meets the requirements of the Article 2 par.1 L. 4864/2021 and the investment can be characterized as "*Strategic*".

In conclusion, the purpose of the amendments of New Law 5164/2024 is to strengthen the existing investment support scheme in the areas of critical raw materials, circular economy, and shipbuilding through the provision of these incentives and benefits, ultimately fostering the development of the Greek economy and ensuring the European autonomy.

[Follow us on LinkedIn](#)

