

# Newsflash

TAX

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## Imminent changes in the current Investment Law

Law 3299/2004 regarding state aid to private investments is soon to be amended as it had to be harmonized with the new Regional Aid Map which will apply in Greece for the period 2007 – 2013, as it was approved by the European Commission. The Map defines new regional aid guidelines as well as new maximum permissible limits of state aid.

Due to the changes that the new Regional Aid Map will induce, by the end of 2006:

- the examination procedure of investment plans that were submitted under Law 3299/2004 must have been completed,
- the current investment law must have been amended so that from the beginning of 2007 applications will be submitted according to the amended incentives regime in accordance with the new Regional Aid Map.

Law 3299/2004 in its current form was effectively inactivated pursuant to provisions of a draft law with the title “Regulations of issues concerning Ministry of

Development and Food” which was voted by the parliament on 31 October 2006. The relevant provisions stipulate that investment applications requesting cash grants, leasing subsidies or payroll subsidies, according to Law 3299/2004, should have been submitted by the date the draft of law is published in the Government Gazette. As regards tax relief, investment expenses enjoying tax relief must have begun by 29 December 2006.

As the legislative environment regarding state aid is imminently changing, those who wish to still take advantage of state aid provided under Law 3299/2004 have to expedite their actions, otherwise they will have to wait for the enactment of the new investment legislation.

For more information:

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*This Newsflash aims to provide the reader with general information on the abovementioned matters. No action should be taken without first obtaining qualified professional advice specifically relating to the factual circumstances of each case.*

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