



# Action Plan

**Ministry of Development and Investments, Greece**  
**December, 2021**



**HELLENIC REPUBLIC**  
Ministry of Development  
and Investments

## Action plan of Ministry of Development and Investments - Greece

### Part I – General information

Project: Enhance the Competitiveness and Sustainability of European SMEs through Succession Procedures and Models, Project Acronym: SUCCESS ROAD

Partner organisation: LP (PP1), Hellenic Ministry of Development and Investments

Other partner organisations involved: PP5, Hellenic Clothing Industry Association - HCIA

Country: Greece

NUTS2 region: The whole country of Greece

Contact person: Michalis Tzortzis

email address: [mtzortzis@gmail.com](mailto:mtzortzis@gmail.com)

phone number: +30-210-3002688

### Part II – Policy context

The Action Plan aims to impact:

<input checked="" type="checkbox"/>	Investment for Growth and Jobs programme
<input type="checkbox"/>	European Territorial Cooperation programme
<input type="checkbox"/>	Other regional development policy instrument

Name of the policy instrument addressed:

Action Plan is analysed into specific actions as described in the following paragraphs (ACTION 1, ACTION 2 and ACTION 3).

One of these actions (ACTION 2) is already included for funding from the **OP “Human Resources Development, Education and Lifelong Learning” 2014-2020**. The programme aims to tackle unemployment, focusing on creating quality education opportunities, skills upgrading and sustainable employment for all and with a view to enhance social cohesion. Its total volume is €2.104 billion.

With regard to ACTION 1, the proposed funding source regards the NSRF 2014-2020 and specifically the **OP “Public Sector Reform” 2014-2020** whose implementation extends until 2023. This programme aims to support the Greek administration to become coherent, well-coordinated, flexible, outward looking and effective, to restore trust relationship with citizens and businesses providing citizen centred and continuously upgraded services constituting one of the key pillars for the recovery of the country. Its funding priorities regard strengthening organisational, institutional and operational

capacity of public administration and local authorities for the benefit of citizens and businesses. The main beneficiaries include: Public administration, decentralised administrations, local government, civil servants, citizens, social partners and enterprises. The total OP budget is 486.913.888€.

Lastly, the "**Competitiveness**" Programme for the new programming period 2021-2027 is proposed as a funding source for the implementation of ACTION 3. The Programme is designed as a comprehensive intervention of the NSRF 2021 - 2027 that will support the productive, competitive and extroverted sectors of the economy in their transition to a development model, led by a knowledge-based economy. ACTION 3 is in the stage of the consultation process with the Special Service of the "Competitiveness" Operational Programme and the submission of the official request to the Special Service of the "Competitiveness" Operational Programme. The approval for the inclusion of the Action in the OP is foreseen as the next step. The first calls for proposals are expected within the first trimester of 2022, while the priority under which it could apply is Priority 1: Strengthening entrepreneurship, competitiveness and innovation - Specific objective (iii) Strengthening the sustainable development and competitiveness of SMEs and job creation in SMEs, including productive investments.

### Part III – Details of the actions envisaged

#### **ACTION 1: Reforming and codification of the institutional and legal framework governing business transfers, in order to simplify procedures, reduce the tax burden and introduce incentives to facilitate or adopt succession and transfer practices**

##### **1. The background**

The proposed action was based on the experience exchange in the interregional level during the cross-regional thematic workshop entitled "Innovation, Digitisation and Modernisation of the legislative framework for business succession/transfer procedures: the case of textiles, clothing and footwear sectors". During the workshop a series of presentations were implemented regarding the development of successful business transfer procedures. More specifically, the modernization of the transfer framework with an emphasis on fiscal reforms was discussed and a reference to the transfer and the tax regime of the businesses in Greece was made. As partners stated during the meeting: "The framework of business succession and transfer, is important for creating a favourable business environment and plays a significant role in promoting entrepreneurship". Some important findings discussed on the workshop that affected the formation of the action include:

- The main problem that arises during the transition to a new property regime is the bureaucratic and unclear succession / transfer procedures, while other problems are the lack of incentives and the high tax burden.
- The ambiguity and complexity of the Greek institutional framework is to a significant extent a factor of time delays or suspensive decisions for the transfer of a company and often leads to the establishment of new companies and the acquisition of the company under transfer.
- Main topics of interest are tax and insurance obligations, legal requirements, planning a succession / transfer plan, finding sources of funding.

Based on the thematic workshop "Analyzing the gap between the existing and desired succession / transfer status and investigating the parameters and obstacles delaying its bridging into the textiles, clothing and footwear SME" policy flexibility/adaptation, framework modifications, position in a market and strong motivation are the main parameters identified as the main strengths of businesses that can be used to address the above-mentioned challenges.

##### **2. Action**

To facilitate the transfer of businesses there must be a clear and simple regulatory framework. The European Commission has addressed this issue in its recommendation on the transfer of small and medium-sized enterprises, and has called on the Member States to improve their legislative and financial framework for the transfer of enterprises. In Greece, some progress has already been made in implementing the recommendation, but there is still a serious lag.

The objective of this action is, in principle, the reforming of the business transfer legislation with the main objective their simplification. The business transfer taxation policy is intended to be simplified. The indicative legislation concerns: Article 42 on the transfer of securities of Income Taxation Code; Law 4172/2013 and Presidential Decree 178/2002 (Government Gazette 162 / A' 12.7.2002) Measures related to the protection of employees' rights in case of transfer of companies, facilities or parts of facilities or companies, in compliance with Council Directive 98/50 / EC).

The need for action comes from the fact that there are a number of bureaucratic procedures that prevent or make it difficult for Greek companies to adopt succession and transfer practices. It is therefore necessary to promote simple regulations and provisions relating to issues: tax, insurance and even administrative procedures, in order to reduce administrative burdens and combat bureaucracy (through digitization). Special care should be taken to introduce measures of financial support that could facilitate a larger number of potential business buyers, such as loan facilities (favourable interest rates), the provision of guarantees and equity in various forms for a limited period, special rules for taxes, inheritances and donations, tax breaks for early retirement, etc.

The implementation of the action requires the cooperation of scientists of various specialties (legal and auxiliary economists - tax experts) and a combination of various legislation and provisions to find the best option at the financial, legal and fiscal level, providing appropriate financial support measures.

Given the legal and fiscal framework of transfers in Greece, it has already undergone significant changes in recent years, usually to amend, supplement or repeal existing rules. At the same time, through the action, further reforms are proposed, as it is appropriate to codify the legislation in order to achieve simple, comprehensible, without contradictions and accessible to citizens and businesses legislation. Thus, through the action, the risk of contradictory provisions is expected to be reduced, which are not effectively implemented by the administration and gradually with this modification, we will lead to the strengthening of legal certainty and the reduction of pluralism and malice.

Therefore, through the action, the institutional and legal framework are modernized and the administrative procedures are simplified, providing for legislative interventions, either in the form of amendments, abolitions or reforms. The sub-actions that are intended to contribute to the structural change of the existing legislation that the businesses under transfer have to comply with, can indicatively be the following:

**Phase A:** Codification of the legal framework

- Recording of the regulatory texts that will be coded

Codification of existing legislation for each policy sub-sector (e.g., tax issues, development / investment, insurance) and by type of legislation, i.e., codification of formal legislation provisions, regulatory presidential decrees and ministerial decisions, in two levels (administrative and legislative)

**Phase B:**

- Reform of the legal and institutional framework for its simplification
- Implementation of the necessary changes in relevant legislation
- Arrangements due to incorporation and application of EU regulations
- Redesign or eliminate internal processes and workflows
- Digitization of procedures
- Interoperability of information systems
- Reforms to reduce the response time as well as the creation of a complete process with an immediate result beneficial for the entrepreneur
- Establish incentives based on development and investment policy

A study on the codification of the legislation is foreseen.

**3. Players involved**

The involved players Ministry of Economy & Development (General Secretariat for Industry) and the Ministry of Digital Governance (General Secretariat of Digital Governance and Simplification of Procedures) will be on charge for implementing and delivering the results with regard to ACTION 1.

#### **4. Timeframe**

**12 months** in total are foreseen for the implementation of the above-mentioned steps. In particular, 4 months are foreseen for the implementation of phase A and the codification of the relative legislation, while the rest 8 months are foreseen for the implementation of phase B and the reforming of the legal and institutional framework, the implementation of the necessary changes, etc.

#### **5. Costs:**

190.000,00€: These costs refer to the expertise needed for the implementation of studies on the reforming and codification of the legislation and all the required procedures for the simplification of the business transfer practices.

#### **6. Funding sources:**

As already mentioned, the OP "Public Sector Reform" 2014-2020 can be the funding source of this action. This programme aims to support the Greek administration to become coherent, well-coordinated, flexible, outward looking and effective, to restore trust relationship with citizens and businesses providing citizen centred and continuously upgraded services constituting one of the key pillars for the recovery of the country. It regards funding priority: Strengthening organisational, institutional and operational capacity of public administration and local authorities for the benefit of citizens and businesses, and the thematic priority: Efficient Public Administration. The EU contribution to this thematic priority is 137.833.511€.

### **ACTION 2: Strengthening N.C.C.E.s role to facilitate the succession in Greek Commercial sector**

#### **1. The background**

National Confederation of Commerce & Entrepreneurship (N.C.C.E) as social partner and one of the main stakeholders in the consultation process of the Action Plan elaboration from Greece, in collaboration with LP & PP5 of the project decided to submit a project proposal under the OP call: Institutional & Operational Strengthening of Social partners. They designed the project: Strengthening N.C.C.E.s role to facilitate the succession in Greek Commercial sector was submitted on 02/11/2020. The project idea was conceived during the stakeholder groups organized for the project and was further developed through consultation between the project partners and N.C.C.E. During consultation best practices from other projects implemented by the stakeholders, were presented. The stakeholders participated in projects that were implemented by partners from different EU countries, while N.C.C.E. had implemented in the previous Programming Period another project for business succession issues.

More specifically, a good practice concerning the Register of Volunteer Mentors developed and operated by IME GSEVEE in the framework of the "Early Warning Europe" project, as well as the collected material from previous studies (e.g., EOMMEX study "Research on the transfer and succession of SMEs", "Enhancing scientific and operational capacity and documentation of ESEE" etc.) were taken into account. The N.C.C.E. implemented the project "Support for age management actions in the Greek Commerce" funded by the OP Human Resources Development 2007-2013, which included an Axis regarding business succession issues. The Athens Chamber of Commerce and Industry was the Lead Partner in the project "FAMILY BUSINESS Successful Succession" (acronym FABUSS) funded by the Erasmus+ Initiative.

During phase 1, after the generation of the idea, the partners and stakeholders formed a brief note with the main elements of the project. This note included the scope of the project, the main actions that were suggested, a brief analysis for the implementation of the actions, the project outputs and the suggested budget. The note was circulated among the interested parties and was finalized after consultation between the partners that were actively engaged in the process. After that, representatives communicated the idea to Special Service operating the OP and investigated the chances of being submitted under an existing or a new Call. After the consultation process with the

Special Service and the modifications that were suggested for the implementation of certain actions, the project was submitted under an existing Call.

The project was approved for funding on the 3<sup>rd</sup> of February 2021 (Ref no. of the Approval Decision 455/03-02-2021 by the Special Secretary of ESF Programmes) and is now under implementation. LP& PP5 collaborated to form the project idea and the application form.

Following project's approval, during phase 2, the monitoring of the implementation of the actions described in the following paragraph will take place.

## **2. Action**

Strengthening N.C.C.E.s role to facilitate the succession in Greek Commercial sector.

It concerns the implementation of actions to study, analyze and support business succession in Greece. Main actions include the creation of a Commercial Succession Policy Observatory, which will collect and analyze micro- & macro- economic data related to business succession, the Establishment of an Online Support Center for succession as an info-point to inform and guide interested parties, the creation of an Electronic Information and Training Platform for succession issues, which will be interconnected with the Online Support Center, the Development of a Consultation Plan, which will specify all the components required for the design, development and evaluation of consultation processes, the implementation of pilot projects of coupling interested parties on succession, the implementation of a Pilot Plan of familiarization with succession.

As output indicators the following are foreseen:

- A study on the analysis of the gap between existing and desired succession / transfer status and investigation of the parameters and obstacles that delay its bridging to the commercial enterprise
- A study - research of good practices in Greece and abroad for tackling the problem of smooth succession in the commercial enterprises
- Two (2) semi-annual reports formulating policy proposals on institutional framework issues and their transmission to decision-making centers and engagement bodies policies
- Four (4) quarterly reports on the online support center for the transfer / succession, where the services provided will be described
- An electronic information and training platform on business succession issues
- A road map guide for the specialization of the consultation system
- A pilot evaluation issue on the operation of the consultation system and the formulation of adjustment proposals
- Twenty (20) pilot implementation plans of interested parties for succession
- A manual for transfers

## **3. Players involved**

The Institute of Commerce and Services and the National Confederation of Commerce & Entrepreneurship (N.C.C.E) are project beneficiaries responsible for the implementation of the project, while the Ministry of Economy & Development (General Secretariat for Industry) will supervise the project implementation.

## **4. Timeframe**

24 months: These 24 months regard the implementation of the actions that support the creation of the Commercial Succession Policy Observatory, the Establishment of the Online Support Center, the creation of the Platform and the Development of the Consultation Plan. During phase 2 of the Success Road project, the main actions of the project will take place regarding the establishment an operation of the online support center, the development and operation of the training platform, the pilot application on businesses etc.

## **5. Costs:**

398.491,33€ This regards the staff costs, and the costs for the elaboration of informative material, the development of the platform, the elaboration of the training material, and the elaboration of studies and consultation plan, needed for the implementation of the project.

## **6. Funding sources:**

**ACTION 3: Operation of a Center of Business Excellence for the promotion of succession / transfer to Greek companies**

**1. The background**

The experience gained through the consultation actions, meetings and workshops, and especially during the 4<sup>th</sup> workshop: Innovation, Digitisation and Modernisation of the legislative framework for business succession/transfer procedures: the case of textiles, clothing and footwear sectors, as well as the survey conducted under SUCCESS ROAD project entitled: "Field Research on the Existing Attitudes and Views of Greek Companies Regarding Succession and Transfer as A Business Practice" whose results were presented during this workshop, showed a series of findings that resulted in proposing this action. These findings are:

- A significant percentage of companies, especially small and medium-sized ones, do not have a plan to predict and describe the succession plan.
- There is almost zero participation in training activities or personalized counselling related to succession / transfer issues, with the main reason for not recognizing their importance.
- Caring for the training of successors in a variety of topics such as business culture, team management and leadership practices, personal development, human resource management is of high importance.

**2. Action**

Operation of a Center of Business Excellence for the promotion of succession / transfer to Greek companies.

In addition to the above-mentioned findings, the results of the workshop: "Analyzing the gap between the existing and desired succession / transfer status and investigating the parameters and obstacles delaying its bridging into the textiles, clothing and footwear SME" showed that one of the main weaknesses with regard to the succession/transfer of a business is the lack of competences and educated staff. This action that concerns the operation of a Center of Business Excellence for the succession / transfer, will act as a tool to guide the companies under transfer in Greece to achieve the desired goals associated with the change of management and leadership. The main task of the Business Center will be the preparation and implementation of a comprehensive Action Plan for the pilot support of the succession / transfer process to successors and buyers outside the family.

The Center of Business Excellence will utilize both digital and non-digital services for finding and selecting successors / buyers, as well as several tools for strengthening the modernization and the degree of innovation in the company after the succession.

The Center will provide comprehensive support to owners and successors / buyers, with the aim of promoting succession within family businesses but also transfer to third parties (market) as a continuation of their operation, providing a range of services that will result from identifying and planning the effectiveness of a possible approach to the transition to the new conditions of administration and leadership.

To this end, the Center for Business Excellence will develop activities such as:

- Counselling and mentoring & coaching of owners and successors
- Training of owners and successors
- Assessment of the value of the business to potentially interested successors
- Preparation of a succession and mediation plan
- Use of innovative tools such as marketplace platform, e-counselling platform and e-mentoring application
- Support in finding financial resources
- Preparation of proposals for the creation and development of additional financial instruments to strengthen the institution of succession such as Transfer Guarantee Fund for SMEs
- Legal guidance

- Cooperation with bodies and organizations that can contribute to the solution of practical problems that arise during the process of succession / transfer (e.g., Chambers)

Therefore, the Center for Business Excellence consists in the implementation of the following:

1. Development of digital and non-digital services for finding and selecting successors / buyers (electronic platforms, registers, help points, study repository, electronic exchange forums, etc.)
2. Strengthening the institution of mediators / Certified consultants
3. Establishment of a Succession / Transfer Monitoring Observatory with local antennas
4. Pilot implementation of Integrated Action Plans to support the succession and transfer processes through consulting and training activities, tools for finding successors / buyers (market places), preparation of succession plan, finding financial sources, upgrading the business profile of successors, etc.

It is expected to contribute to the development of practices, tools and institutions that will ensure:

- the dissemination and diffusion of the institution of transfer succession as an alternative practice for the continuation of the operation of a business versus the creation of a new business.
- the encouragement and especially the facilitation of the succession processes, through a network of support services but also institutional provisions that will create a favourable environment for business transfers.

The idea will be communicated to the Special Service operating the "Competitiveness" Operational Programme in order to investigate the chances of being included in the OP for the new programming period 2021-2027.

The required steps to be implemented during phase 2 of the project include:

- Consultation with the Special Service operating the "Competitiveness" Operational Programme on the intention to include the proposed action in the operational programme.
- Submission of the official request to the Special Service of the "Competitiveness" Operational Programme.
- Approval for the inclusion of the Action in the OP by the Monitoring Committee.
- Preparation of the Call for Proposals.
- Publication of the Call of Proposals,
- Submission of proposals by potential beneficiaries.
- Evaluation of the proposals by the Special Service.
- Approval of the project to be implemented.

Further prioritization of the specific actions is expected after the specialization report of the operational programme monitoring committee and the final decision for the inclusion of the project in the OP.

As an output indicator of the proposed action will be the inclusion of the project in the OP.

### **3. Players involved**

The implementation of the proposed action is expected to be undertaken by the Ministry of Economy & Development (General Secretariat for Industry) who will also coordinate the project implementation.

In the case of project inclusion and approval, Institutional Social Partners, the Special Service for Management & Implementation of Industry, Ministry of Economy & Development (General Secretariat for Industry) and the Commerce & Consumer Protection will be the co-beneficiaries of the project.

### **4. Timeframe**

12 months for the implementation of all the required steps as described above, until the approval of the project to be implemented. The timeframe of the proposed project (in case it is included and approved) is 36 months, but it is out of the scope of phase 2.

**5. Costs:**

3.000.000,00€

There are no applicable costs for the project inclusion preparation procedures. These costs refer to the costs required for the implementation of the project; after its inclusion in the OP and its approval under a specific call. More specifically, these costs regard staff costs, publicity and dissemination activities, external expertise, educational programme activities, costs for the establishment of the observatory, costs for the pilot implementation of the integrated action plans (consulting and training activities, tools for finding successors / buyers (market places), preparation of succession plan, etc.).

**6. Funding sources:**

OP Competitiveness 2021-2027 is proposed as a funding source. Ministry of Economy & Development (General Secretariat for Industry) is foreseen to apply under the priority "Enhancing entrepreneurship, competitiveness & innovation". The first calls are foreseen in early 2022.

**Date:** 22<sup>nd</sup> of December 2021

**Signature:**

**Approved with the Ref. Nr. 137730/16-12-2021 Decision by the Monitoring Committee of the Project**