

3rd NY.GR Investment Forum

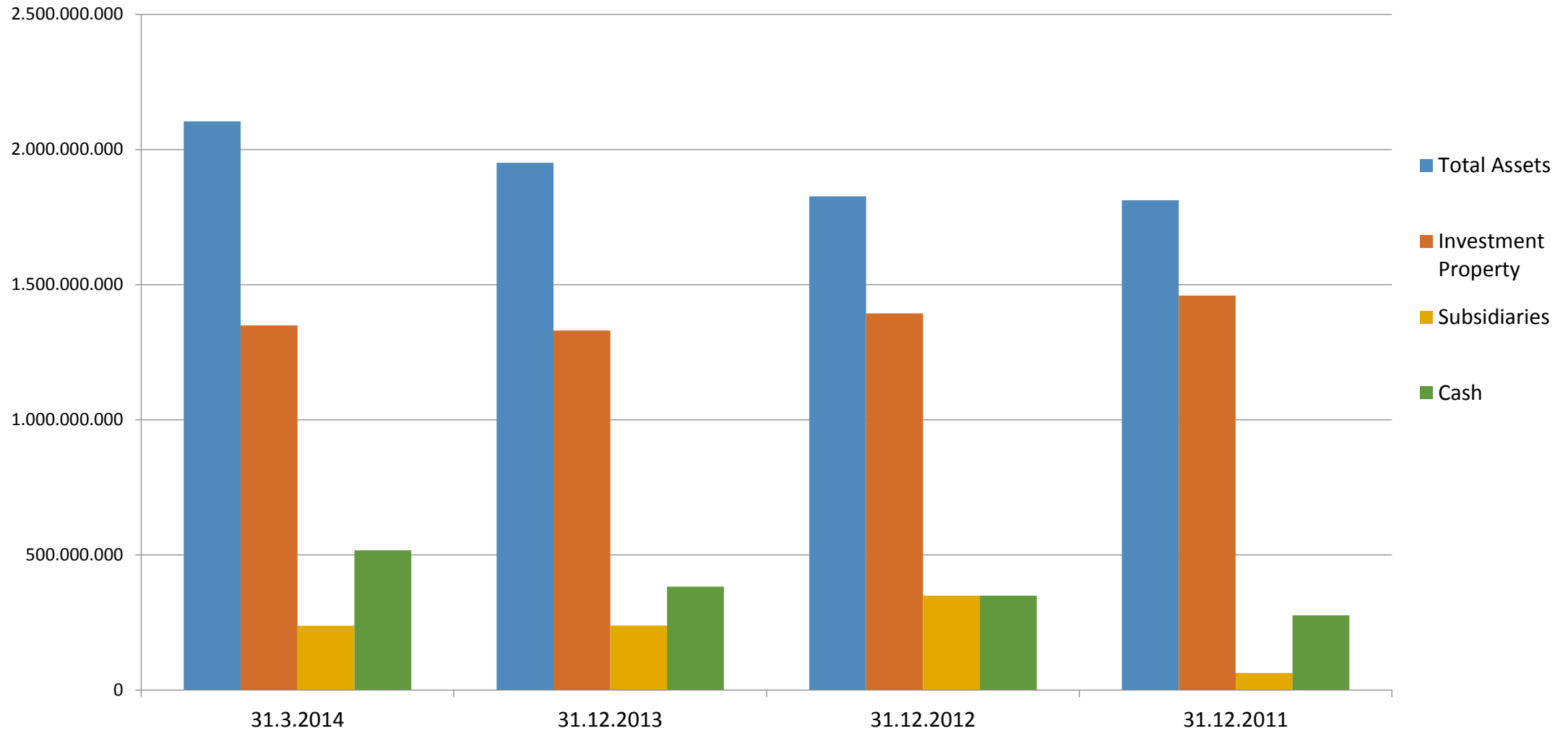
Greek Law essentials on REICs

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Greek REICs: Asset allocation by type of investment (euros)



Greek REICs: Basic principles of regulation

- *Real estate asset types (1)*
 - Commercial income-producing property
 - Residential properties
 - Real Estate Development
 - Rights from financial leasing
 - Pre-agreements for the purchase of a property

Greek REICs: Basic principles of regulation

- *Real estate asset types (2)*

- Investment in: an SPV which exclusively invests in Real Estate, or a holding company which exclusively invests in those SPVs
- Investment in a subsidiary which exclusively invests in Real Estate – projects are of a minimum amount of 10 million euros (JVs)
- Investment in i) a UCITS which invests mainly in Real Estate, ii) another REIC or iii) an alternative fund which invests mainly in Real Estate

Greek REICs: Basic principles of regulation

- Diversification: No single property investment can exceed **25%** of the total asset.
- Valuation:
 - i) Prior to the sale or purchase of a property asset, a valuation by a *qualified valuator* is required (*ad hoc*).
 - ii) REICs value their assets at the end of each fiscal year (*periodical*).
- Insurance: A REIC shall insure all invested property.

Greek REICs: Basic principles of regulation

- Leverage: Up to **75%** of a REIC's total assets (from 50% previously), only through bank loans.
- Dividend Distribution: Minimum **50%** of net profits.
- Listing: Obligatory listing on the ASE within 2 years + up to two years extension (HCMC).
- Corporate Governance: Must abide by all CG regulations applying to listed companies + audited financial statements under IFRSs.
- Taxation: *Income tax*: 10% of the ECB intervention rate plus one percentage point. Exempt from *Property Transfer Tax* on acquisitions and the *Supplementary Tax* on rental income.

