

# Country Crowdfunding Factsheet

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Greece

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EUROPEAN  
CROWDFUNDING  
NETWORK



## European Crowdfunding Network

The European Crowdfunding Network AISBL (ECN) is the professional network promoting adequate transparency, (self) regulation and governance while offering a combined voice in policy discussion and public opinion building, incorporated as an international not-for-profit organization in Brussels, Czech Republic.

We support our members in carrying initiatives aimed at innovating, representing, promoting and protecting the European crowdfunding industry. We aim to increase the understanding of the key roles that crowdfunding can play in supporting entrepreneurship of all types and its role in funding the creation and protection jobs, the enrichment of European society, culture and economy, and the protection of our environment.

In that capacity we help developing professional standards, providing industry research, as well as, professional networking opportunities in order to facilitate interaction between our members and key industry participants. On behalf of our members, the ECN will maintain a dialogue with public institutions and stakeholders as well as the media at European, international and national levels.



This document has been extracted from Annex II of the study " Identifying market and regulatory obstacles to crossborder development of crowdfunding in the EU", published in November 2017 and funded by the European Commission (DG FISMA).

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## Greece

### Overview

With a relatively low number of projects, the Greek Crowdfunding landscape consists mostly of donation- and Rewards-based platforms with short operation lifetimes. The alternative financing tool Crowdfunding is still weakly developed.

#### A. Role of alternative finance

##### Market size

The Greek Crowdfunding landscape consists of a small number of mostly donation-based Crowdfunding Platforms, with only two of them hosting Equity-based Crowdfunding projects. For the period 2012-2014, the total transaction volume was in the range of EUR 0.2m to EUR 1m.

The majority of projects hosted on Greek platforms are usually of a social or artistic character with small financing targets. Projects with technological or entrepreneurial subjects are generally scarce, and often do not reach their financing targets. As already mentioned, even the most popular and successful Crowdfunding Platform in Greece (groopio.com) did not exceed EUR 100K in accumulated project financing, according to the latest available data.<sup>1</sup>

##### Total Crowdfunding Platforms

There were around 8 active platforms in Greece in 2015, with reward-based and Donation-based platforms being more numerous, and Equity-based platforms gaining momentum.<sup>2</sup>

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<sup>1</sup> Dimitris Ditsikas, Kaisa Matschoss, Petteri Repo, Anita Tregner-Mlinaric (2015): "Crowdfunding in Sustainable Innovation - Insights from and for Greece". ([link](#))

<sup>2</sup> Ibid.

## Crowdfunding models

Equity-based Crowdfunding	No data available
Lending-based Crowdfunding	No data available
Other	No data available

## Crowdfunding models

Match funding initiatives	<p>The National Bank of Greece, in strategic cooperation with organisations and foundations of international standing, such as the Alexandros S. Onassis Foundation, the John S. Latsis Foundation, the Bodossaki Foundation, the Hellenic National Commission for UNESCO and the Hellenic Network for Corporate Social Responsibility, is supporting the <a href="#">act4Greece</a> programme, which is a pioneering initiative for the promotion of social and developmental banking. For the first time in Greece, an online platform has been created which enables the gathering of resources from the “crowd” — from anyone interested, wherever they may be in the world. The resources are then directed to specific projects undertaken by implementing bodies. The core philosophy of Crowdfunding is to enhance awareness amongst the public and to motivate people to contribute, as much as they can, to the implementation of projects that are needed by Greek society. The programme covers different action areas. These institutions</p>
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contribute to the programme by offering their knowhow whilst also leveraging the potential of the Crowdfunding Platform so as to broaden and multiply the resources for projects or actions that they already support.<sup>3</sup>

## B. Regulatory context

Country	Greece
<b>Summary</b>	
<b>Recent developments in Crowdfunding regulation</b>	Law 4416/2016 came into force on 6 September 2016, enabling the public offering of securities through equity Crowdfunding Platforms without a prospectus, so long as the platforms are operated by licensed investment firms, local AIFMs following prior notification to the HCMC or the BoG.
<b>Current/planned Crowdfunding regulation</b>	
<b>General regulation</b>	<p><u>Equity Model</u>: Equity Crowdfunding Platforms through which securities are offered can be operated only by local licensed investment firms (namely AEPEY, AIFMs or credit institutions) which are licensed by the HCMC or the BoG, provided that:</p> <ul style="list-style-type: none"> <li>(a) they notify the HCMC or the BoG in advance of their intention to operate such platforms and provide adequate information thereto on the way the activity is organised and will be performed;</li> <li>(b) specific information regarding the issuers and their companies hosted in the platform is provided to the investors, so that the latter are duly informed.</li> </ul> <p><u>Lending Model</u>: The provision of loans or other credits can be performed only by licensed credit institutions and certain financial institutions, or alternatively by "passported" financial institutions established in other EU countries that offer their services either through a branch or on a cross-border basis without establishment in Greece.</p> <p><u>Rewards or Donation Model</u>: Platforms may not be considered to be</p>

<sup>3</sup> Case Study: act4Greece, Crowdfunding4Culture ([link](#))

	offering investment or banking services -> no regulatory requirements.
<b>Prospectus requirement</b>	<ul style="list-style-type: none"> <li>• As a principle, the public offer of securities in Greece requires the prior publication of a prospectus, which must be approved by the HCMC.</li> <li>• Exceptionally, no prospectus is required for the public offer of securities through Crowdfunding Platforms operated by duly licensed firms when: <ul style="list-style-type: none"> <li>- the public offer is performed exclusively through electronic platforms operated by AEPEYs or AE-DOEEs or credit institutions (duly licensed to provide specific services);</li> <li>- the total value of securities offered is less than EUR 500,000.00 per issuer per year; and</li> <li>- participation of an individual (non-professional) is equal to or less than EUR 5,000.00 and in any case equal to or less than 10% of the average of their declared income of the past 3 years, per issuer, and equal to or less than EUR 30,000.00 per year, per AEPEY or credit institution.</li> </ul> </li> <li>• The offer of investments which do not qualify as "securities" or other regulated products (such as UCITs or deposits, etc.) → not subject to regulatory requirements.</li> </ul>
<b>AIFMD regulation</b>	<ul style="list-style-type: none"> <li>• According to the definition of AIF in Law 4209/2013, Crowdfunding Platforms could be subject to the provisions of the AIFMD law, if they qualify as collective investment undertakings which raise capital from investors with a view to investing it in accordance with a defined investment policy for the benefit of those investors and are not UCITs.</li> <li>• Under Law 4209/2013, the management of an AIF in Greece is currently subject, apart from certain exemptions, to prior authorisation from the HCMC or other EU competent authority.</li> </ul>
<b>Payment service regulation</b>	Transfer of funds made by operators of Crowdfunding Platforms to companies/projects could constitute money remittance services within the meaning of law 3862/2010 -> license is required, not clear whether commercial agent exemption applies
<b>Further possible requirements</b>	<ul style="list-style-type: none"> <li>• Law 3691/2008 on money laundering prevention</li> <li>• Laws 2472/1997 and 3471/2006 on data protection</li> <li>• Law 2251/1994 on consumer protection and sales performed from a distance</li> </ul>

	<ul style="list-style-type: none"> <li>• Law 2121/1993 on intellectual property</li> <li>• Law 3862/2010 on payment services</li> </ul>
<b>Regulatory barriers</b>	
<b>Inbound</b>	<p><b>Foreign Crowdfunding Platform addressing Greek investors</b></p> <p>Greek regulatory law is applicable, since Greek investors are approached; the HCMC has not officially expressed its view as to when Greek investors are considered to be approached. The platform may benefit from the exemption of law 4416/2016 from the prospectus publishing requirements, provided that the conditions of law 4416/2016 are met. In practical terms, this means that the operation of the platform must be performed by a local investment firm or alternative investment fund manager or credit institution. Otherwise the platform may not benefit from the exemption of law 4416/2016.</p> <p>On the other hand, a Crowdfunding Platform which operates in another EU Member State or a third country, and which presents offers of investments other than securities, is not currently subject to regulatory restrictions.</p> <ul style="list-style-type: none"> <li>• <b>Foreign Crowdfunding Platform addressing companies/projects in Greece</b></li> </ul> <p>The solicitation of companies/projects to participate in Crowdfunding Platforms from another EU country may or may not imply the provision of investment services (such as placement of securities without firm commitment) to such companies, depending on the services which are actually provided to such companies and on whether or not such services are offered in relation to financial instruments.</p>
<b>Outbound</b>	<ul style="list-style-type: none"> <li>• <b>Crowdfunding Platform from Greece addressing foreign investors</b></li> </ul> <p>In the event that a Crowdfunding Platform from Greece which benefits from the exemption from the Greek public offer rules recently introduced by law 4416/2016 addresses investors in another EU country, it will be subject to the securities laws applicable in such country to public offers and to the provision of investment services.</p> <p>Although the operator of the Greek Crowdfunding Platform will be a duly licensed investment firm or alternative investment fund manager or credit institution, and will be able to passport its services (such as reception and transmission of investment orders) to such EU country, the offer of securities which will be made through such platform to such EU country will be still subject to the public offer restrictions of the relevant EU country.</p> <ul style="list-style-type: none"> <li>• <b>Crowdfunding Platform from Greece addressing for-</b></li> </ul>

	<p style="text-align: center;"><b>eign companies/projects</b></p> <p>In the event that a Crowdfunding Platform from Greece which benefits from the exemption from the Greek public offer rules recently introduced by law 4416/2016 addresses companies/projects in another EU country, it will be subject to the rules of the relevant EU country on the provision of investment services. Although the operator of such platform will be a duly licensed investment firm or alternative investment fund manager or credit institution and will be able to passport its services to such EU country, the solicitation of companies/projects to participate in the platform may involve the provision of one or more investment services for which the operator does not have a license.</p> <p>It may also be the case that the other EU country has adopted a bespoke regime for the operation of Crowdfunding Platforms, in which case the Greek platform will have to comply with the requirements of such regime.</p> <p>On the other hand, companies/projects from another EU country which will participate in the Greek platform may well benefit from the exemption from the Greek public offer rules under the conditions of law 4416/2016.</p>
<b>Impact of EU regulation</b>	
<b>Prospectus regulations</b>	<ul style="list-style-type: none"> <li>• Prospectus regime regarding the offering of securities is harmonised on a pan-European level since the Prospectus Directive (and in the near future the Prospectus Regulation) and the implementing Greek legislation only cover transferable securities within the meaning of MiFID/MiFID II.</li> <li>• In Greece, most of the companies which have demonstrated interest in participating in Crowdfunding Platforms are organised in the form of a company limited by shares (<i>anonymi etairia</i>) and their shares are classified as transferable securities.</li> <li>• The Greek bespoke regime has introduced an exemption from the prospectus regime, under certain conditions, but the exemption applies only to offers addressed to investors in Greece.</li> <li>• Other types of companies organised in the form of partnerships are not covered by the European prospectus regulation, but there are currently no domestic regulatory restrictions on the public offer of investment in such companies.</li> </ul>
<b>AIFM Directive</b>	<ul style="list-style-type: none"> <li>• Local authorities (in Greece, the HCMC) are responsible for interpreting whether or not there exists a collective investment undertaking (and therefore an AIF), and thus an enti-</li> </ul>

	<p>ty may be considered an AIF by one domestic authority and not an AIF by another.</p> <ul style="list-style-type: none"> <li>• Requirements regarding retail AIF are not harmonised on a European level, which might lead to frictions in the intensity of regulation: in some EU Member States, there exists lower/higher regulation for retail AIFs, whereas in some EU Member States, retail AIFs are completely prohibited.</li> <li>• AIFs may not be currently marketed to retail investors in Greece.</li> </ul>
<p><b>Mi-FID/MiFID II</b></p>	<ul style="list-style-type: none"> <li>• The main scope of application of MiFID and MiFID II for Crowdfunding in Greece is the general possibility to apply for a MiFID II license to generally operate in each EU Member State.</li> <li>• However, the service of reception and transmission of investment orders, on which current law focuses, does not cover the investment services that the operators may be providing to companies/projects.</li> <li>• Also, each EU Member State may have adopted a bespoke regime covering services and investments which are outside the scope of MiFID and MiFID II.</li> <li>• Thus, the MiFID passport of the operators of Greek platforms may prove to be insufficient in practice.</li> </ul>
<p><b>PSD/PSD II</b></p>	<ul style="list-style-type: none"> <li>• The PSD is already implemented by law in Greece.</li> <li>• PSD (II) must be implemented by Greece by January 2018.</li> <li>• Payment services in Europe are generally harmonised, but regarding the details there is still room for interpretation by the national legislators and (especially) financial regulation authorities — thus, there is no fully harmonised single market in Europe.</li> <li>• Regarding Crowdfunding, <b>money remittance services</b> are especially important:             <ul style="list-style-type: none"> <li>→ Any transfer of funds through the operator of a Crowdfunding Platform generally constitutes money remittance services within the meaning of Greek law, which implemented the PSD;</li> <li>→</li> </ul> </li> </ul>

### C. Disclosures & safeguards

No professional industry association exists. To foster the professional and transparent development of the local market, it might be advisable for a national Crowdfunding association to establish of a Code of Conduct with which platforms should be obliged to comply. Examples exist in a number of countries, such as the UK, France, Germany or the Netherlands. Alternatively, the open adoption of the European Crowdfunding Network Code of Conduct and its Charter of Crowdfunders' Rights by market players could help in markets without a critical mass of platforms.

Platforms themselves, to the extent that they can serve as marketplaces, have the potential to aid regulatory developments through early self-regulation and transparency. But this will require credible and enforceable quality and transparency standards as well as level playing fields. Any such initiative should aim to cover key performance indicators for the industry, conflict of interest rules and platforms remuneration. However, regulation will always play the main role in establishing and ensuring a functioning market with an adequate level of safeguards and disclosures.

### D. Support policies

The National Bank of Greece, in strategic cooperation with organisations and foundations of international standing, supports a Crowdfunding Platform with the objective of enhancing projects that are needed by Greek society. The act4Greece programme is a pioneering initiative for the promotion of social and developmental banking.

### E. Additional insights

#### Policy measures

- Awareness-raising initiatives from Ministries and organisations from the wider public sector (dissemination material, online presence, etc.).
- Motivation for workshops, seminars and dissemination activities from collective bodies, industry organisations and higher education institutes.
- Establishment of a regulatory mechanism at national level, especially for equity Crowdfunding.
- Addition of alternative methods of financing in Higher Education curricula and philosophy.
- Conducting of thorough studies on Crowdfunding's impact on the economy, with a special focus on SMEs and on policies and strategies to increase the utilisation of alternative financing methods.<sup>4</sup>

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<sup>4</sup> Dimitris Ditsikas, Kaisa Matschoss, Petteri Repo, Anita Tregner-Mlinaric (2015): "Crowdfunding in Sustainable Innovation - Insights From and For Greece". ([link](#))