



**Shape the future
with confidence**

June 2025

Alert

L. 5203/2025

**Sustainable development,
productive transformation of
the Greek economy -
Amendment of provisions of the
Development Law 4887/2022 -
Strong Growth for Greece**



The better the question. The better the answer. The better the world works.

Law 5203/2025 has been published in the Government Gazette (A' 87/02-06-2025), introducing amendments to the previously applicable Development Law 4887/2022.

With the establishment of 12 state aid schemes for investment projects, an effort is being made to promote the extroversion and competitiveness of the Greek businesses and of the domestic economy in sectors including modern technologies, green transition, social entrepreneurship, supply chain, and more.

The schemes target large, medium-sized, small, very small, and startup businesses aiming to support specific sectors and geographical areas of the Greek economy and to simplify the existing procedures for granting aid and incentives.

Objective

More particularly, the objective of the new development law is to promote sustainable development at national level, which includes reducing social and regional inequalities, enhancing interventions to address the acute demographic problem of the country, in conjunction with the productive transformation of the Greek economy. Such actions aim to shape a new productive model with an enhanced role for the industry and manufacturing, while also attracting larger investments with a strong multiplier economic footprint.

The «12» aid schemes

- L. 5203/2025 introduces twelve (12) schemes for granting state aid to investment projects. Please note that the scheme "Research and Applied Innovation" which was a separate scheme under Law 4887/2022, is now incorporated into "Modern Technologies" scheme. The aid schemes are now structured as follows:
 - I. Modern Technologies (NEW)

- II. Green Transition - Environmental business upgrade
- III. Social Entrepreneurship and Handicrafts Scheme (NEW)
- IV. Special Aid Areas Scheme (NEW)
- V. Agri-nutrition - primary production and processing of agricultural products - fisheries and aquaculture
- VI. Manufacturing - Supply chain
- VII. Business extroversion
- VIII. Support for tourism investments
- IX. Alternative forms of tourism
- X. Large-scale investments
- XI. European value chains
- XII. Entrepreneurship 360°

The announcement pertaining to each aid scheme is issued in the first and third quarter of each year, pursuant to a decision made by the Minister of Development.

Key Changes

- Incentives for fast-track licensing are provided for the schemes "Special Aid Areas Scheme" and "Large-scale Investments".
- Incentives for the granting of loans are offered with the guarantee or support of the Greek State, either through the "Development Law Financial Instrument Guarantee Fund" or alternatively through another financing tool of the Hellenic Development Bank (HDB) or the European Investment Bank (EIB).
- The maximum thresholds/ amounts of aid granted are increased.
- Each entity is from now on allowed to submit an application for the same investment plan under more than one aid scheme.
- For aid co-financed by the "National Strategic Reference Framework ("ESPA") for the period 2021-2027, as additional requirement is for the project to adhere to the principle of not causing significant harm to the environment.
- The evaluation of investment plans under all aid schemes will be conducted comparatively.
- Approval of investment projects is to be completed within 90 days (see also below).
- The inclusion decision is revoked in case of violations, and the granted aid must be returned with an additional surcharge of ten percent (10%).
- Energy efficiency measures in buildings are not eligible under non-regional aid expenditure categories.
- A certification is issued upon audit with respect to the completion of 25% of the physical and economic object of the investment.
- The aid in the form of tax exemption may be utilized annually annually, up to one half (1/2) of the total approved tax exemption amount, in case provided that completion of fifty percent (50%) or sixty-five percent (65%) of the cost of the investment project is certified.
- Fees for submitting an application for submission, for requesting an inspection regarding completion and for requesting modifications of the investment plans are non-refundable.

Types of aid

As for the types of aid, there is no differentiation under Law 5203/2025. Therefore, the types of aid provided under this regime may take the following forms:

- **Tax exemption:** exemption from the payment of income tax on pre-tax profits, minus the tax of the legal entity or legal person that corresponds to the profits distributed or assumed by the partners. The amount of the tax exemption is calculated as a percentage of the value of the eligible expenses of the investment plan or the value of the new machinery and other equipment acquired through financial leasing, which constitutes an equivalent reserve that is maintained in a separate account in their financial statements.
- **Subsidy:** provision of a monetary amount from the State to cover a portion of the eligible expenses of the investment plan.
- **Subsidy for financial leasing:** partial coverage by the State of the financial leasing installments, paid for the acquisition of new machinery and other equipment.

- **Employment cost subsidy:** partial financial coverage by the State of the employment costs of new jobs created and linked to the investment plan for which no other state aid is received.
- **Funding of corporate risk:** This aid pertains to the schemes "Modern Technologies" and "Social Entrepreneurship and Handicrafts" and relates to the financing of interest rate of loans with reduced collateral or the insurance costs of high-risk loans paid to the credit institutions that provide them.

Investment plan character

Investment plans eligible for regional aid schemes should have a comprehensive nature of initial investment and, in particular, they should meet one of the following conditions:

- Investment in tangible and intangible assets regarding one or more of the following:
 - Setting-up a new unit.
 - Expansion of the capacity of an existing unit.
 - Diversification of the output of a unit in terms of products or services not previously produced in the unit.
 - A fundamental change in the overall production process or in the overall supply of the services related to the investment in the professional installation. Specifically with respect to grants provided to large enterprises for the implementation of a fundamental change in the production process, the eligible expenses may exceed the depreciation of the assets associated with the activity to be modernized over the past three (3) financial years.
- Acquisition of assets belonging to an installation that has closed or would have closed if it had not been purchased.
 - The mere acquisition of a company's shares cannot be considered as initial investment.
 - The replacement investment does not constitute an initial investment.

Minimum investment plan thresholds

The minimum amount of the eligible cost of the investment plan (i.e., the total amount resulting from the sum of eligible expenses) for inclusion in the aid schemes of the new Development Law is determined based on the size of the enterprise as follows:

- for the large enterprises at the amount of €1.000.000
- for the medium enterprises at the amount of €500.000
- for the small enterprises at the amount of €250.000
- for the very small enterprises at the amount of €100.000
- for the Social Cooperative Enterprises, Agricultural Cooperatives, Producer Groups, Producer

Organizations, Civil Law Cooperative, Agricultural Corporate Partnerships, as well as for very small enterprises that fall under the aid scheme of "Social Entrepreneurship and Handicrafts" at the amount of €50,000

Maximum Threshold of Incentives

L. 5203/2025 provides a significant adjustment of the maximum aid amounts, offering more incentives for investments. The new thresholds are set at EUR 20 million for standalone enterprises and at EUR 50 million for collaborating enterprises or affiliated companies, compared to the previous thresholds of €10 and €30 million, respectively.

- As aid amount, for each investment plan submitted, is considered the amount approved by means of the decision upholding the submission to the scheme. Any excess amount of aid is proportionally reduced by type of aid and type of expenses. The maximum limits are increased by fifty percent (50%) in cases where the aid is granted in the form of tax exemption.

Incentives for Granting of Loans

- An incentive is provided for the granting of loans with the guarantee or support of the Greek State for investment plans of small and medium-sized enterprises (SMEs), which have been included in the Large-scale investments Scheme, following a relevant approval decision.
- The investment plans of SMEs that are approved by means of a decision for their submission to the Large-scale investments scheme may be granted loans, either short-term to be set-off with the grant or long-term for the implementation of the investment, with the guarantee of the Greek State from the Development Law Financial Instrument Guarantee Fund (DeLFI GF) or alternatively from another supported financing tool of the Greek Development Bank.

Fast-track licensing incentives

- For the issuance of any required license or approval for the execution of the investment plans, the installation or the operation of investments under the aid schemes of "Special Aid Areas" and "Large-scale investments", including spatial planning permits, a deadline of two (2) months is set; from the time of submission of the license application and the relevant file to the competent licensing authority.
- The Decision on the Approval of Environmental Terms (A.E.P.O.) for the aforementioned investment plans is issued in accordance with Articles 3 and 9 of Law 4864/2021.
- The period during which additional information might be requested by the competent authority is not included in the aforementioned deadline.

Procedure regarding the submission of applications, evaluation and audit of investments plans

With respect to the procedure for submitting an application for the inclusion of an investment plan in a specific aid scheme, please note that there is no significant alterations compared to the previous scheme.

- **Application:** The application for inclusion, as well as the required supporting documentation is submitted through the Development Law Information System. The competent approval authority is notified electronically for their receipt and registration.

The receiving authority for the applications is determined in the announcement of each aid scheme. The following entities may be designated as receiving authorities:

- a. the General Directorate of Development Laws and Foreign Direct Investments of the General Secretariat for Private Investments of the Ministry of Development,
- b. the Directorates of Development Planning of the various Prefectures of Greece,
- c. the Directorate of Private Investments of the Ministry of Internal Affairs, Macedonia - Thrace Sector.

- **Evaluation:** The evaluation is carried out by the Evaluation Committee or by a member of the National Registry of Certified Evaluators (E.M.P.A.) or by a member of the Registry of Certified Auditors or may be assigned, through the issuance of a ministerial decision, to the Intermediate Body of the Operational Program "COMPETITIVENESS AND ENTREPRENEURSHIP" (E.F.E.P.A.E.) or to financial institutions.

Evaluation of the investment plans is always comparative and initiates as of the lapse of the deadline for submission of applications to the relevant state aid scheme. Evaluation shall be concluded within a ninety (90) - day period.

- **Audit:** Investment plans subject to aid schemes are audited during their implementation, at the stage of completion and commencement of the productive operation of the respective investment as well as for their compliance with their long-term obligations. Such audit may be either administrative, that is, based on the documents included in the file, or on-site, as well as regular or unscheduled.

EY possesses extensive experience and expertise in the design and implementation of investments through co-financed instruments, having successfully managed a significant number of proposals in the fields of energy, environment, new technologies, manufacturing, supply chain, business extroversion, and tourism.

EY operates with a holistic and personalised approach that assists beneficiaries of the Development Law's aid schemes in maximising the potential of the Law. Our consulting and technical services encompass the entire cycle of the aid leveraging, from assessing the eligibility of an investment project and providing recommendations for its alignment with the Law's requirements, to the preparation and submission of competitive proposals, monitoring the implementation of approved projects, and compiling the final completion reports.

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