



Bank Finance and Regulation Survey

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I. BANKS AND FINANCIAL INSTITUTIONS SUPERVISION

1) Applicable laws and regulation. Provide a list of the main laws and regulations that refer to the supervision and control of banks and financial institutions. Give a brief summary of the substance of each of them.

“*Credit institution*” shall mean a) an undertaking whose business is to receive deposits or other repayable funds from the public and to extend credit for its own account (i.e. a bank) or b) an electronic money institution that means an institution which issues means of payment in the form of electronic money.

“*Financial Institution*”, on the other hand, shall mean an undertaking other than a Credit Institution, the principal activity of which is to acquire holdings or to carry on one or more of the activities prescribed by law including inter alia lending, factoring transactions, financial leasing, payment services, including transfers of funds, issuing and administering means of payment (for e.g. credit cards and banker’s drafts) and trading in money market instruments (cheques, bills, certificates of deposit, etc.).

The establishment and operation of credit/financial institutions is mainly governed by Law 3601/2007 (as amended by Laws 3693/2008, 3746/2009 and 3862/2010), which incorporated into the Greek banking legislation the Capital Requirements Directive (comprised of Directives 2006/48/EC and 2006/49/EC) and along with the Bank of Greece (“BoG”) Governor’s Acts No. 2630/29.10.2010, 2588/2007, 2589/2007, 2590/2007 (as amended by Governor’s Act 2631/29.10.2010), 2591/2007, 2594/2007 (as amended by Governor’s Act 2634/29.10.2010),

2592/2007 (as amended by Governor's Act 2632/29.10.2010), 2633/29.10.2010 and 2635/29.10.2010 form the new supervisory framework (Basel II) for the prudential supervision of credit institutions and investment firms.

The aforementioned BoG Governor's Acts which were issued in 2010, (Governor's Acts Nr. 2630/2010, 2631/2010, 2634/2010, 2632/2010, 2633/2010, 2635/2010), incorporated the provisions of the Directive 2009/111/EC of the European Parliament and of the Council and Commission Directives 2009/17/EC and 2009/83/EC.

BoG Governor's Acts (No. 2577/2006, 2595/2007 and 2597/2007) relate to Internal Control Systems (ICS), including the auditing, the compliance and the risk management functions, to the Pillar 2 (ICAAP and SRP) of the Basel II supervisory framework and other matters.

Similarly, Law 3691/2008 and Banking and Credit Committee decisions, 281/5/26.3.2009, 285/6/9.7.2009 and 290/12/11.11.2009, constitute the institutional framework for the prevention of the use of the financial system for money laundering and the financing of terrorism.

In addition, BoG Governor's Act 2640/ 18 January 2011 (which replaced BoG Governor's Act 2606/21 February 2008), stipulates the supervisory data and information to be submitted to the BoG by the supervised entities and also defines the persons that have a special relationship with the credit institution.

2) Entities/Authorities in charge of the control and supervision. Purposes, powers and functions of each of them- their organization and structure (i.e. public or private, independency or body of the Government to which they belong, size, etc).

The competent authority for the supervision of credit/financial institutions is the BoG, in particular the so called Supervision of Credit and Related Financial Institutions Department. Said Department carries out the prudential supervision of credit and financial institutions with the aim of ensuring the smooth operation, effectiveness and stability of the Greek financial system and the financial sector of the economy in general, as well as of enhancing transparency of the procedures and terms of transactions carried out by the supervised institutions.

As from January 2001, the BoG is an integral part of the Eurosystem, which consists of the European Central Bank (ECB) and the national central banks (NCBs) of the European Union (EU) Member States participating in the euro area. Through its activities, it contributes to the achievement of the objectives and the performance of the tasks of the Eurosystem, which defines and implements monetary policy in the euro area.

The functions of the BoG can be divided into Eurosystem-related functions and other functions, which can be summarized as follows:

1. Eurosystem-Related functions:

It participates in the formulation of the single monetary policy of the euro area and implements it in Greece, it manages part of the ECB's foreign exchange and gold reserves on behalf of ECB, it oversees payment systems and instruments, it promotes arrangements for the maintenance of financial stability and effective management of financial crises, it collects statistical data from monetary financial institutions it issues legal tender euro banknotes, and is responsible for the

circulation and handling of euro banknotes and coins in Greece and, overall, the smooth supply of cash to the economy.

2. Other functions of the BoG:

It carries out prudential supervision of credit institutions and certain categories of enterprises in the financial sector, it monitors the insurance and reinsurance firms as well as insurance intermediaries, it is responsible for the management and operation of the System for Monitoring Transactions in Book-Entry Securities, it is responsible for the operation of the Electronic Secondary Market for Securities, it has been entrusted with the cash settlement of the HELEX transactions, it holds and manages the country's official reserve assets, including the foreign exchange and gold reserves of the BoG and the government, it acts as treasurer and fiscal agent for the government, it compiles and publishes statistics on the Greek economy and conducts specialised statistical surveys, it publishes reports regarding the economic conjuncture and monetary policy etc.

Without prejudice to its primary objective, which is safeguarding the stability of the Greek financial system, the BoG supports the general economic policy of the government. It performs its tasks as an independent body, accountable, however, to the Parliament.

3) Describe briefly the activities under supervision and give a list the different types of licenses available.

The BoG supervises credit institutions having their head office in Greece, including their branches abroad; it also supervises the branches in Greece of credit institutions having their head office in third (non-EU) countries. More specifically, the concept of supervision includes the definition of credit institutions' own funds, as well as the monitoring of solvency, liquidity, capital adequacy, concentration of risks and the internal control systems of credit institutions. Moreover, the BoG is the authority responsible for the implementation by credit and financial institutions of the Greek legislation regarding prevention and suppression of money laundering.

Moreover, the BoG supervises certain financial institutions, including: a) leasing companies; b) factoring companies; c) credit companies; d) bureaux de change; e) payment institutions; and f) the Hellenic Fund for Entrepreneurship and Development (E.T.E.AN. SA)

4) Describe briefly non regulated financial and banking activities.

N/A

5) Describe briefly non-permitted financial and banking activities and/or government monopolies.

According to Law 3601/2007, persons or undertakings which are not credit institutions are prohibited from carrying out the business of receiving deposits of cash or other repayable funds from the public. Furthermore, in general only credit institutions or special purpose entities licensed by the BoG may provide credit.

II. BANKING ACTIVITIES

6) Different types of banking licenses. Activities permitted under each of them. Activities prohibited.

There are no different types of banking licenses. The “banking license” granted by the BoG refers to the authorization of establishment and operation of a credit institution in Greece. The activities permitted under this license are, inter alia, the receipt of deposits or other repayable funds from the public the provision of credit as well as other activities provided by law. See also our analysis under question 3 above.

7) Procedures to be followed and requirements to be met to obtain each of the different licenses. Formalities to be fulfilled, documentation to be submitted, guaranties requested, time estimation, etc.

A. Credit institutions' authorisation procedure is set out in Law 3601/2007 (Articles 5, 6, 7 and 24). The basic terms and conditions of the procedure for the granting of license to a *Greek Credit Institution*, as laid down in Law 3601/2007, are the following:

(i) an application must be submitted to the BoG accompanied by a programme of operations setting out in particular the types and scope of business envisaged, a business plan, the structure of its parent group, where appropriate, as well as the credit institution's structural organisation, internal control system, including its Internal Audit, Risk Management and Compliance functions, and the procedures required for compliance with Article 26 of law 3601/2007. If the credit institution also intends to offer investment services, it shall fulfil the requirements which, in accordance with the legislation in force, apply to the provision of investment services by credit institutions;

(ii) at the discretion of the BoG, a letter of guarantee issued by a registered credit institution in an amount equal to the share capital of the credit institution under establishment must be deposited with the Bank. Said guarantee is returned after the share capital of the above institution has been deposited with the BoG or after a possible refusal of authorization by the BoG has been notified to the institution concerned.; if the capital is not paid up by the date of notification of the authorisation decision, the guarantee shall forfeit in favour of the BoG and shall be credited to the account related to the coverage of the capital of the credit institution. The letter of guarantee shall cover the total capital of the credit institution under incorporation, regardless of the number of its initial shareholders.

(iii) the BoG must be notified of the identities of i) of the shareholders, natural or legal persons, who directly or indirectly hold 5% or more of the capital or voting rights of the credit institution, as well as the proportion of such holding; ii) of the credit institution's ten largest shareholders and the respective proportion of their holdings or voting rights; and iii) of any natural persons other than those referred to in (i) and (ii) above who exercise control over the credit institution under written agreements or other arrangements or through common action;

(iv) the BoG must be notified of the identity of i) the persons who shall be responsible for directing the business of the credit institution and shall participate as members in its Board of Directors. The existence of at least two persons entrusted with these responsibilities shall

constitute a condition for the credit institution to be granted authorisation and continue to operate; ii) the other members of the Board of Directors; and iii) the persons in charge of the functions of the credit institution, in accordance with the applicable BoG decisions on credit institutions' internal control systems;

(v) Before authorisation is granted, as well as at any time during the operation of the credit institution, the BoG, for prudential and transparency purposes, may additionally require the following:

a) details on the identity, the financial situation and the source of funds of:

i) the natural or legal persons who directly or indirectly hold more than 1% of the capital or voting rights of the credit institution;

ii) the natural persons who fall within the scope of point (iii) of the requirement (iii) above, or who directly or indirectly control legal persons falling within the scope of points (i) and (ii) of the aforementioned point;

iii) the persons referred to in the requirement (iv) above;

b) that the legal persons referred to in points (i) and (ii) of requirement (iii) above and point (i) of subparagraph (a) of this section have their voting shares registered;

c) that specific percentages of the total of the registered voting shares referred to hereinabove be held by one or more natural persons who have been granted prior approval by the BoG;

d) that credit institutions provide appropriate information, enabling the Bank to establish that the authorisation requirements of this Law are fulfilled at all times or that situations which would constitute grounds for not granting authorisation have not arisen.

(vi) The BoG, for the above mentioned purposes, may also specify:

a) the necessary supporting documents and particulars, as well as all other details it deems necessary for granting the banking authorization ;

b) further restrictions and requirements concerning the activities or tasks entrusted to the natural persons referred above, with a view to preventing or minimising significant conflicts of interests or influences that operate to the detriment of the credit institution's prudent and sound management;

c) more particular restrictions and requirements for the operations of the credit institution;

d) criteria for determining whether any natural or legal persons maintain, directly or indirectly, close links with the credit institution;

e) by way of derogation from the general provisions on sociétés anonymes, the procedures, maximum limits and any other terms regarding credit institutions' loans of any type, other credit, guarantees, as well as holdings in the persons referred to in subparagraph (d) of this section in order to ensure that such transactions are not carried out under preferential terms compared with those generally applied by the credit institution or in a manner that may operate to the detriment of the credit institution's prudent and sound management; and

f) that an application be submitted for the listing of the credit institution's shares on a regulated market, so as to ensure larger distribution, within a period of not more than five (5) years and not less than the minimum required by law before an application for listing shares of undertakings on a regulated market can be submitted.

B. Credit Institutions having their head office in a country of the European Union or in a country which has ratified the Agreement on the European Economic Area (EEA) may be established through branches or provide, without establishment, cross-border services in Greece, without prior authorization by the BoG, provided that the business operations they intend to carry out are

covered by the license granted by the competent authorities of their home country and that said institutions are supervised by said authorities, as a minimum, to the respective EU directives.

The passport procedure must be followed, i.e. the BoG must be notified by the competent supervisory authority of the home country, The notification includes the name of the credit institution, the address of the branch in the host country, the names of those responsible for the management of the branch, particulars referring to the financial position of the credit institution, a programme of operations setting out, *inter alia*, the types of business the branch intends to carry out and its organisational structure, as well as detailed information on the deposit-guarantee scheme in place in the home country.

C. Establishment in Greece of a *credit institution having its head office in a country outside the European Union or in a country which has not ratified the Agreement on the European Economic Area* is effected on the basis of the principle of reciprocity concerning establishment, following an authorization by the BoG, under the following terms and conditions: (i) for establishing up to four branches in Greece, the credit institution shall deposit an initial capital at least equal to half of the initial capital currently required for establishing a credit institution in Greece (18,000,000 Euros i.e. a minimum capital of 9,000,000 Euro is required); (ii) The credit institution concerned must submit a relevant application to the BoG; (iii) the competent authority of the credit institution's home country shall communicate to the BoG: the registered name of the credit institution and the postal address of its branch in Greece; (iv) submit to the BoG the appointment of two individuals responsible for the management of the branch residing permanently in Greece and having appropriate and adequate professional experience and the appointment of one individual responsible for the compliance of the branch with money laundering regulations; (v) the branch's organization chart and its business plan; (vi) communicate to the BoG information pertaining to the deposit-guarantee scheme applying in the home country, provided that this scheme covers deposits with the branch in Greece, (vii) submit to the BoG the written consent of the competent authority of the credit institution's home country, regarding its expansion in Greece, (viii) the BoG shall be informed by the competent authority of the home country on the own funds and the capital adequacy ratio of the credit institution. The credit institution shall also report any additional information and data that may be required by the BoG for supervisory purposes; e.g. regarding its financial soundness, capital adequacy for credit and market risks, compliance with limits on large exposures, adequacy of internal audit systems, etc.

D. Banking and Credit Committee Decision 211/1/5 December 2005 provides terms and conditions for authorising credit institutions based abroad to establish and operate in Greece Representative Offices i.e. credit institutions' business units engaged exclusively in all or any of the following activities:

a) collecting and providing financial and commercial information; b) taking initiatives for the development of cooperation between the represented credit institution and Greek firms in financial activities, as well as preparing studies for the promotion of business activities by Greek and foreign firms; c) representing the credit institution's interests in Greece; and d) advertising and promoting the products and services of credit institutions that provide services in Greece.

According to the above Decision:

- i) Credit institutions having their head office in an EU country or in a country which has ratified the Agreement on the European Economic Area may establish a *Representative Office* in Greece, following a notification to the BoG from the competent authority of the home member state, which must include a) the name of the credit institution and its registered address b) the purpose of establishment and operation of the Representative

Office, c) information on the Office Director (identity, experience etc)d)an official document issued by the home member state's supervisory authorities, certifying that the credit institution has been legally established in the country where its head office is located and that it is subject to the supervision of the said authorities, that its business runs smoothly and, that the said authorities have no objection to the establishment of the Representative Office in Greece e) published financial statements for the last fiscal year. The Representative Office may be established after written confirmation from the BoG has been received by the competent authority of the home state or in any case after two months from the notification mentioned above.

ii) Credit institutions having their head office in a third (non-EU, non-EEA) country may establish a *Representative Office* in Greece, following a formal approval by the BoG of an application submitted by the credit institution through the competent authority of the third country, which should include the information mentioned under i) above.

8) Legal structure admitted/requested for each of the different licenses.

a) Different types of legal structures that may be used, i.e. corporations, limited liability partnerships, branches, subsidiaries, etc.

Greek Credit institutions may be established and operate in the form of Societes Anonymes only, and exceptionally, in the form of pure credit cooperatives provided for in Law 1667/1986.

b) Capital requirements and own fund rules.

Pursuant to Article 5 of Law 3601/2007, the paid-up initial capital equal to at least the following amounts shall be required in order for the BoG to grant authorisation to:

- a) a credit institution: eighteen million euro (€18,000,000);
- b) a branch of a credit institution authorised in a third country: nine million euro (€9,000,000);
- c) a credit cooperative as a credit institution: six million euro (€6,000,000).

The thresholds laid down above Article may be adjusted by decision of the BoG to amounts of not less than five million euro (€5,000,000).

If the initial capital is not fully paid up in cash, the BoG shall decide, on an *ad hoc basis*, which other assets and to what proportion can be contributed instead, taking into account the liquidity and solvency standards applying to credit institutions. In particular where an already operating legal person is to be converted into a credit institution, at least 80% of the assets of that legal person shall be paid up entirely in cash, deposits, securities traded in regulated markets and short-term loans or other credit extended on the basis of banking criteria. A credit institution's own funds may not fall below the amount of initial capital required from time to time as laid down above.

c) Transfer of control and ownership regime. Is it regulated?

Acquisition of a qualifying holding in a credit institution under establishment is governed by the provisions referred to in 7A(iii) above, while, after such an institution has begun to operate, any natural or legal person intending to acquire a qualifying holding must inform BoG thereon. The same obligation applies also under various other situations.

Article 24 of Law 3601/2007 provides in a detailed manner the notification and clearance procedure to be followed in case of transfer of control and change in the ownership regime of a credit institution.

d) Personal requirements and restrictions that may apply in each case for officers, directors, shareholders, etc.

See above under 7A-D

e) Special requirements/restrictions for foreigners either individuals or legal entities (including short description of WTO/GATS commitments and exemptions).

See above under 7A-D

9) Is there a Deposits Insurance? Is it mandatory or based on self-regulation? Provide a brief explanation of how it operates.

The Hellenic Deposit and Investment Guarantee Fund (hereinafter the “HDIGF”) was established by virtue of Law 3746/2009, in order to implement in Greece the deposit guarantee and investors compensation scheme. The HDIGF is successor in interest to the Hellenic Deposit Guarantee Fund “HDGF”, established under Law 2832/2000.

The HDIGF (the Greek initials of which are TEKE) is a legal entity of private law, based in Athens and supervised by the Minister of Finance. The HDIGF is not a public entity and does not belong to the broader public sector.

Six tenths (6/10) of the HDIGF’s initial capital is covered by the BoG and the remaining four tenths (4/10) by the Hellenic Bank Association’s member credit institutions.

The HDIGF’s purpose is to:

- a) pay compensation to depositors of credit institutions that:
 - i) are licensed in Greece and
 - ii) become unable to meet their obligations towards depositors

- b) pay compensation to investors/customers of credit institutions that:
 - i) are licensed in Greece,
 - ii) do not participate in the Athens Exchange (ATHEX) Members’ Guarantee Fund and
 - iii) become unable to meet their obligations arising out of investors’ claims and have no early prospect of being able to do so with a view to ensuring stability in the credit system.

Two separate compensation schemes are run by the HDIGF, one for deposits (“Deposit Cover Scheme”) and one for investments (“Investment Cover Scheme”), each of which has separate assets, intended to meet, respectively, the claims of depositors and investors.

The HDIGF’s resources derive from initial membership and annual regular contributions paid by the credit institutions. In the event that these resources are not sufficient for the compensation, further supplementary resources are provided (Law 3746/2009).

Mandatory and optional participation in the scheme: Law 3746/2009 requires that all credit institutions authorised to conduct business in Greece participate in TEKE. Participation is also required of branches in Greece of credit institutions whose head offices are located in non-EU countries, if their home country does not have an equivalent deposit guarantee scheme. Branches in Greece of credit institutions from other EU countries may also participate on a voluntary basis, for supplementary cover, if their home country scheme is not equivalent to the Greek one. Membership of TEKE entails obligatory payment of regular annual contributions. The mandatory nature of participation in TEKE implies that penalties are imposed on credit institutions which default on their obligations towards the Fund.

Operation: Pursuant to Law 3746/2009, any depositor whose deposit does not belong to an excluded category is entitled to compensation through the Fund. The maximum level of cover per depositor cannot exceed Euro 100,000 and applies to the aggregate deposits held by a depositor with the credit institution concerned, irrespective of the number of deposits, the currency of denomination or the location of the branch or branches, after set-off against any counterclaims of the credit institution. Compensation payments are not subject to any kind of tax, charge or duty. A credit institution’s inability to repay its deposits is determined initially by the BoG. It can also be determined by a court ruling, which may be issued in advance of any action by the BoG or, in the case of a branch of a credit institution based in another EU Member State participating in TEKE for supplementary cover, by decision of the supervisory authority of the home country of the credit institution concerned. TEKE is subrogated to the rights of the depositors whom it has compensated. The depositors’ right to compensation lapses five years after the end of the last extension of the time limit set for the commencement of the compensation procedure.

10) Interest rate. Is it regulated? Should the answer be affirmative, explain briefly its regulatory framework.

In general one may make the following distinctions with respect to interest rate:

- i) In case a loan agreement is executed with a lender which is not a bank, the current maximum interest rate is set by law.
- ii) On the contrary, in case the lender is a bank, there is no usury provision regarding the applicable interest rate, which is thus freely determinable.

According to the usual practice, the interest of bank rates fluctuate in line with EURIBOR , as set by the European Central Bank, plus a spread set by each bank concerned (e.g. EURIBOR + 3%).

However, the, in principle, free determination of interest rate by the banks finds its boundaries in the relevant regulatory framework setting out the general terms of transactions with Banks. That is BoG Governor’s Act 2501/31.10.2002 which amended and codified provisions regarding

information to the public vis-à-vis its transactions with credit institutions. Said Act sets out, *inter alia*, the general principles that should be observed by credit institutions operating in Greece. It establishes that credit institutions should set interest rates within the framework of the principles of the open market and free competition, while also taking into consideration, on a case-by-case basis, the risk undertaken and the possible changes in financial conditions, as well as data and information that counterparties should supply in a precise and accurate manner.

11) Sanctions (civil, administrative, or criminal) for violations of the legal and regulatory dispositions

The most important sanction provided for in case of violation of the regulatory framework governing the operation of credit institutions is the withdrawal of the license of a credit institution.

In particular, pursuant to Art. 8 of Law 3601/2007, the BoG may revoke the license of a credit institution in the following cases:

- a. if the credit institution:
 - (i) Does not make use of the license within twelve months of its granting, unless a longer period is laid down therein;
 - (ii) Expressly renounces license;
 - (iii) Has ceased to engage in business for more than six months;
 - (iv) Fails or refuses to increase its own funds;
 - (v) Obstructs in any manner whatsoever the supervision exercised by the BoG;
 - (vi) Violates provisions of laws or BoG decisions relating to the supervision or the pursuit of the business of credit institutions, to an extent that it can jeopardise its solvency or, more generally, the achievement of the objectives of the supervision exercised by the BoG.
- b. if authorization has been obtained through false, inexact or misleading statements;
- c. in the event that the credit institution does not possess sufficient own funds and can no longer be relied upon to fulfil its obligations towards its creditors and, particularly, no longer provides safety for the repayable funds entrusted to it;
- d. if the credit institution no longer fulfils the conditions under which authorization was granted;
- e. if the BoG considers that the laws, regulations or administrative provisions of a third country governing one or more natural or legal persons with which the credit institution has close links prevent the effective exercise of the supervisory functions of the BoG; or
- f. the structure of the credit institution's group has changed in a manner that prevents the effective performance of the supervisory functions of the BoG.

III. BANK SECRECY LAWS

12) Is clients' information protected? Are there any restrictions for its use?

Bank client's information is protected. Greek law provides a spectrum of restrictions for its use but, on the other hand, provides also a group of exemptions, according to which the disclosure of such information may be permitted.

13) Should answer to number 12) be affirmative, please describe the legal framework, i.e. scope, limitation, exceptions.

A. Legislative Decree 1059/1971, as amended, establishes a secrecy obligation for bank deposits. Article 1 of said Decree provides that "all kinds of deposits in credit institutions are kept confidential". All credit institutions are therefore required to respect the confidentiality of deposits. However, there are some exemptions to the deposit secrecy obligation, including but not limited to the following:

- (i) The secrecy obligation is not applicable to the BoG in the context of its powers related to the supervision of the banking system and the implementation of the currency, credit, and exchange rules and regulations (Article 1 Legislative Decree 1059/1971).
- (ii) The provision of information concerning a client's deposit is also permitted after a reasoned request by the District Attorney or the appropriate investigating judicial authority, in the process of an ongoing felony proceeding, provided that the requested information is considered vital for the tracing and punishment of the crime (Article 3 Legislative Decree 1059/1971).
- (iii) The BoG and Arios Pagos (the Greek Supreme Court in civil and criminal matters) may also investigate the source of funds that are used for the financing of radio, television stations and newspaper publications. Furthermore, the BoG and Arios Pagos may trace any funds used for the acquisition of at least twenty (20%) of the share capital of a Greek credit institution, thus waiving the secrecy obligation (Article 40 Law 1806/1988).
- (iv) The confidentiality of the deposits is also waived in the process of a tax audit conducted by the competent tax authority or in the process of a tax audit or investigation conducted by the Special Audits Agency, provided that the competent director of the relevant tax authority or of the Special Audits Agency submits a request/mandate to the credit institution to this effect (Article 66 par. 1 Law 2238/1994 and Article 30 par. 6 Law 3296/2004).
- (v) Various public authorities may be request the lifting of banking secrecy in case they have obtained a relevant order from the competent judicial authorities (competent Public Prosecutors, Judicial Divisions etc.).

B. In addition to the above-mentioned banking secrecy obligation concerning deposits, it is accepted that a more general obligation of secrecy exists covering the totality of a client's financial relations with a bank. According to this general secrecy obligation, all credit institutions are required not to reveal to third parties any information concerning their clients' financial

transactions. This obligation is based primarily on Article 57 of the Greek Civil Code, which recognizes and protects an all-inclusive “right of personality” of natural persons. This article protects one’s personality against any “unlawful intrusion, invasion or infringement”. However, the general banking secrecy obligation does not apply in certain cases.

C. Finally, pursuant to Law 3691/2008, as amended, regarding money laundering, all credit institutions operating in Greece have the obligation to request proof of a client’s identity in the course of establishing any business relationship, especially before the opening of a bank account. In case it can be surmised that any transaction may be connected to money laundering, there is an obligation to report the incident and not pursue the transaction, if at all possible. A person must be specified as the responsible compliance officer for receiving these types of complaints from employees and act upon them accordingly. In addition, banks must provide to the appropriate judicial authorities any information that will be requested by them in connection with money laundering investigations. Furthermore, secondary legislation has also been enacted specifying issues relating to money laundering. Law 3691/2008, as amended, also exempts from the restrictions of banking secrecy the units of the Anti-Money Laundering and Counter-Terrorist Financing Authority, when they are acting in the course of their investigations.

14) Sanctions (civil, administrative, or criminal) for violations.

The penalty for infringement of the deposit secrecy obligation is up to six months of imprisonment, which cannot be suspended (Article 2 Legislative Decree 1059/1971). For the infringement of the general secrecy obligation the client may ask for indemnification based on Article 57 of the Greek Civil Code alleging infringement of his “right of personality”, while criminal sanctions may also be imposed according to Article 371 of the Greek Penal Code for violation of the general professional secrecy requirement.