

GREECE MACRO MONITOR

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Dr. Platon Monokrousos
Group Chief Economist
Deputy General Manager
pmonokrousos@eurobank.gr

Olga Vlavianou
Legal Coordinator
Global Markets & Treasury
olvlavianou@eurobank.gr

Anna Dimitriadou
Economic Analyst
andimitriadou@eurobank.gr

Bank holiday in Greece Restrictions on bank transactions envisaged in the respective legislative act

This note provides a detailed account of the restrictions applied on bank transactions in the context of the short-term bank holiday announced in Greece. The material presented herein draws on the respective Legislative Act published in the Government Gazette on 28 June 2015, a government non-paper leaked to press earlier today and the relevant BoG instructions to domestic financial institutions.

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<i>Provisions of the legislative act on the short-term bank holiday in Greece</i>	<i>Comments</i>
Duration of restrictions	
Bank holiday to be effective from June 28 to July 6, 2015	<ul style="list-style-type: none"> • Bank ATMs shall operate within 12 hours from the moment the relevant legislative act becomes effective <i>i.e.</i>, from the afternoon of Monday 29, 2015. • By decision of the Minister of Finance, the duration of the bank holiday may be shortened or extended. • During the bank holiday financial institutions will remain closed, while access to them will only be allowed to the staff necessary for the implementation of the relevant legislative act and the preparatory work for the resumption of regular transactions with the public after the termination of the bank holiday.
Institutions to be affected	
Bank holiday applies to all credit institutions (hereinafter the "institutions") operating in Greece in any form	<p><i>Institutions to be affected by the bank holiday:</i></p> <ul style="list-style-type: none"> • All financial institutions operating in Greece in any form, including: <ul style="list-style-type: none"> ✓ the branches of foreign credit institutions within the scope of Law 4261/2014 (A' 107); ✓ the Deposit and Loans Fund ; ✓ the payment institutions of Law 3862/2010 (A' 113) and the electronic money institutions of Law.4021/2011 (A' 218); ✓ the branches and representatives of payment institutions and electronic money institutions established in other Member States of the Union and operating in Greece.
Permitted Transactions	
Cash withdrawals from the ATMs with daily cap €60 per card	<ul style="list-style-type: none"> • The limit of daily cash withdrawals may change by decision of the Minister of Finance. • Cash withdrawals may also be made via credits cards (interest and commission charges as in the relevant contract agreed with the bank). • Overdraft from a current account or from a consumer loan account is permitted up to the daily limit of €60 (provided that the overdraft is allowed by the relevant contract agreed with the bank).

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	<ul style="list-style-type: none"> • If a cash card is linked to more than one bank account, then the daily withdrawal limit is €60. • If an account has more than one beneficiary and more than one card linked, then the daily withdrawal limit is €60 per cash card. • If an account has one beneficiary but more than one linked card, then the total daily withdrawal limit of €60 applies to that beneficiary (irrespective of the number of cards he/she holds)
Unrestricted transactions (other than those in force before the adoption of the relevant legislative act) via credit and debit cards for payments within the country <i>i.e.</i> , payments credited to accounts held in Greece	<ul style="list-style-type: none"> • A credit or a debit card may be used for purchases via internet (sellers should have an account in a Greek bank)
Payments using prepaid cards only up to the amount appearing as balance before the start of the bank holiday.	<ul style="list-style-type: none"> • New prepaid cards cannot be issued • The prepaid card cannot be recharged
Distance transactions (via telephone banking or Web banking) for payments within the country <i>i.e.</i> , payments credited to accounts held in Greece	<ul style="list-style-type: none"> • Regular payroll payments can be made, provided that the employer makes these payments via electronic means. • Standing orders for the payment of loans, rent, utility bills etc. can be executed as usual, provided that the payments are made to accounts in Greece. • Payments of bills, loans and to the tax authority can be made via web banking, phone banking and ATMs. No interest on late payments will be charged on overdue payments accrued during the bank holiday. • Instalment scheme payments to the Greek State or banks can be made via web banking, phone banking or ATMs. If such payments are not made on time (during the bank holiday), there is no cancelation of the respective instalment scheme. • Insurance payments can be made via web banking, phone banking or ATMs.
Cash withdrawals at ATMs using bank cards that have been issued by foreign banks	<ul style="list-style-type: none"> • Withdrawal limits may be set by decision of the Minister of Finance. • No restrictions apply to debit and credit cards issued abroad by foreign banks. • Credit and debit cards issued in Greece by foreign banks are subject to the restrictions applied to credit and debit cards issued by Greek banks.
Payment of pensions is exempt from the restrictions applied to bank transactions	<ul style="list-style-type: none"> • Individual banks to announce relevant payment procedures

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Transactions with the Bank of Greece	
Transactions of the Hellenic Republic	
Cross border payment orders pertaining solely to crediting an account held in a bank operating in Greece	<ul style="list-style-type: none"> • Interbank payments to accounts held in a bank in Greece can be made without restrictions
Settlement of transactions which have been recorded in the central payment systems (Target2-GR,EURO01 and DIAS) and in the settlement systems (Athens Central Securities Depository (CSD) and Target2 securities (T2S)) prior to the entry into force of the bank holiday legislative act (June 29, 2015).	<p>From 29/6, the following will be in effect:</p> <ul style="list-style-type: none"> • only transactions without cash movement will be settled (transactions with cash movement are prohibited until further notification); • Corporate actions (e.g. coupon payments) will be settled as usual
Transactions that are considered necessary by the Banking Transactions Approval Committee (see below) may be permitted	<p><i>Allowed transactions include, inter alia:</i></p> <ul style="list-style-type: none"> • Those which are deemed necessary for safeguarding public or social interest, including, e.g. payment for medical expenses or the import of pharmaceuticals • Remittances to students abroad • Payments abroad for health reasons
Prohibited Transactions	
During the bank holiday, all transactions (besides those specified above) will be prohibited.	<ul style="list-style-type: none"> • By decision of the Minister of Finance, other categories of transactions may also be exempt from the restrictions imposed by the bank holiday legislative act
Other provisions	
No interest for late payment is charged on payments coming due during the bank holiday	
During the bank holiday, all deadlines regarding the expiration, cross checking and payment of securities are postponed All judicial deadlines are postponed	
Penalties	
Any bank transaction violating the provisions of the bank holiday framework will be subject to a fine equivalent to 1/10 th of the amount involved in the respective transaction	
Banks are obliged to terminate the employment or the work contract of any person responsible for the violation	

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of the provisions of the bank holiday legislative act	
Establishment of the Banking Transactions Approval Committee	
A special Banking Transactions Approval Committee is established in the General Accounting Office	<ul style="list-style-type: none"> The Commission consists of five members, including senior officers from the Ministry of Finance, the General Accounting Office, Bank of Greece, the Hellenic Bank Association and the Hellenic Capital Market Commission.

Eurobank Economic Analysis and Financial Markets Research

Dr. Platon Monokroussos: *Group Chief Economist*
pmonokrousos@eurobank.gr, +30 210 37 18 903

Research Team

Anna Dimitriadou: *Economic Analyst*
andimitriadou@eurobank.gr, +30 210 37 18 793

Ioannis Gkionis: *Research Economist*
igkionis@eurobank.gr +30 210 33 71 225

Stylianios Gogos: *Economic Analyst*
sgogos@eurobank.gr +30 210 33 71 226

Olga Kosma: *Economic Analyst*
okosma@eurobank.gr +30 210 33 71 227

Arkadia Konstantopoulou: *Research Assistant*
arkonstantopoulou@eurobank.gr +30 210 33 71 224

Paraskevi Petropoulou: *G10 Markets Analyst*
ppetropoulou@eurobank.gr, +30 210 37 18 991

Galatia Phoka: *Research Economist*
gphoka@eurobank.gr, +30 210 37 18 922

Theodoros Stamatiou: *Senior Economist*
tstamatiou@eurobank.gr, +30 210 33 71 228

Global Markets Sales

Nikos Laios: *Head of Treasury Sales*
nlaios@eurobank.gr, +30 210 37 18 910

Alexandra Papathanasiou: *Head of Institutional Sales*
apapathanasiou@eurobank.gr, +30 210 37 18 996

John Seimenis: *Head of Corporate Sales*
yseimenis@eurobank.gr, +30 210 37 18 909

Achilleas Stogioglou: *Head of Private Banking Sales*
astogioglou@eurobank.gr, +30 210 37 18 904

George Petrogiannis: *Head of Shipping Sales*
gpetrogiannis@eurobank.gr, +30 210 37 18 915

Vassilis Gioulbaxiotis: *Head Global Markets International*
vgioulbaxiotis@eurobank.gr, +30 210 37 18 995

Eurobank Ergasias S.A, 8 Othonos Str, 105 57 Athens, tel: +30 210 33 70 000, fax: +30 210 33 70 190, email: EurobankGlobalMarketsResearch@eurobank.gr

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