



Athens, 31 August 2016
Ref. Nr: EU 5540

To
- Mr. Declan Costello
- Mr. Rasmus Rueffer
- Mrs Delia Velculescu
- Mr. Nicola Giammarioli

SUBJECT: INTRODUCTION OF “BUSINESS RUNNING” ACCOUNT – REOPENING OF THE 100 INSTALMENT DEBT ADJUSTMENT

Dear Sir/Madame,

The Hellenic Confederation of Commerce and Entrepreneurship (ESEE), in view of the forthcoming “raid” to bank accounts to be held over the last four months of 2016, aiming at the collection of debts by Public Authorities, submitted in time substantial proposals addressed to all relevant Services of the Ministry of Finance. Through them, we expressed our fear, that the attempt to enforce collection measures, as a means of achieving the budgetary targets, will bring about negative results, since it will lead many more small and large Greek companies to close down, thereby permanently writing off their arrears and current debts.

It is understood that the target of the Government to collect EUR 5 billion by the end of the current year, including revenues either from real estate auctions or from social insurance contributions, emerges as an obligation of the prerequisites of the 3rd Memorandum. Besides, the technical document estimates the collection of EUR 1,73 billion by September and another EUR 2,05 billion by December, while for new debts there is a binding obligation to gather 21% of them by September and another extra 23% by December 2016. There is a fear of escalation of the enforcement measures, and taking into account the rather mixed results referring to the deviation between net real revenues and targets by 6% in July, they may balloon over the last four months of the year and in particular during the second evaluation.

Despite the thousands bank accounts confiscations which are carried out on a monthly basis, the results are extremely poor. Confiscations were raised by about 30% compared to last year, but the average amount collected by the State during the first seven months of 2016 stands at EUR 496 only per bank account.

More specifically, from about 187.000 bank accounts confiscations, with a surge in July, the amounts gathered by the Tax Department, barely reached EUR 95 million, i.e. approximately 0,1% of the total of EUR 92 billion in arrears, while 97% of confiscations refer to amounts of less than EUR 3.000.

Another worrying aspect is the fact that today it is possible to send confiscation orders electronically, via the Deposits Registry. In this way, the government acquires full access to the bank accounts of the debtor, thus facilitating the mass seizure of SMEs' bank accounts.

Taking into consideration all the above, there is plenty of room to introduce a business running account bank account of the company, reserved primarily for payment of certain obligations, especially those towards the State, via standing bank orders in Tax Offices and Social Insurance Funds.

In this context, ESEE asks for:

- The opportunity for entrepreneurs to declare a bank account, with the object to support, even after the confiscation order, the basic functions of the company (payroll payments, debts to the Tax Offices - Social Insurance Funds, rents and suppliers).
- The connection of the above account with the revenues of the company deriving from the use of credit and debit cards.
- The height of the business - running account will be determined in relation to the economic data of the business concerned.

In addition to the above, ESEE, expressing the views and needs of the entrepreneurial community in Greece, openly supports and recommends to you the introduction of a "second chance" policy towards the greatly affected from the crisis Greek SMEs, by re-opening to them the possibility of entrance to the "100 installments debt adjustment". Many of the said enterprises that have lost the privilege of using this adjustment did so against their will due to objective circumstances, and their reintroduction into its use, could become vital for their survival.

Since we strongly believe that the realization of the above mentioned proposal will most definitely result to the substantial increase of revenues from arrears owed to the State, we ask for your support towards this direction.

Yours Sincerely,



Vassilis Korkidis
President