The New Greek Insolvency Code: A Unified Framework for Early Warning, Preventive Restructuring and Bankruptcy – Debt Release

October 6, 2020, 10.00 am New York – 3.00 pm London – 5.00 pm Athens

PRESS RELEASE

CAPITAL LINK GREECE MARKET INSIGHTS WEBINAR SERIES

Webinar:

"The New Greek Insolvency Code:

A Unified Framework for Early Warning, Preventive Restructuring and Bankruptcy - Debt Release"

October 06, 2020 17:00 pm Athens – 15:00 pm London – 10:00 am New York

October 8, 2020

Capital Link is initiating a series of webinars at regular intervals aimed to raise the profile of Greece as a business and investment destination to a global investment community.

Capital Link's Webinar "The New Greek Insolvency Code: A Unified Framework for Early Warning, Preventive Restructuring and Bankruptcy - Debt Release", took place on October 06, 2020 | 17:00 pm Athens – 15:00 pm London – 10:00 am New York.

The webinar serves as an introduction to the new insolvency provisions expected to come into effect in Greece as of the beginning of 2021. The Code is styled Code for Debt Settlement and Second Chance.

This bill is no less than a revolution for Greece. It introduces a unified code for restructuring and bankruptcy of individual and corporate debt for the first time in the country's history. It implements directly the recent EU Directive on restructuring and insolvency (1023/2019) ahead of all other member states. As such, the new Code should also help Greece better participate in the EU banking and markets union.

The webinar was very interesting. It lasted over 1 hour and was followed by a live Q&A session by participants to the panellists.

Capital Link Webinars: http://webinars.capitallink.com/

Replay link: http://webinars.capitallink.com/2020/greek-bankruptcy
Video: https://www.youtube.com/watch?v=0voFcPUE0YQ
Audio: https://podcasts.capitallink.com/podcast/Vjt4uZPi8b
Presentations: https://webinars.capitallink.com/podcast/Vjt4uZPi8b

PROGRAMME

17:00 – 17:05 pm Athens | 15:00 – 15:05 pm London | 10:00 – 10:05 am New York WELCOME REMARKS: Mr. Nicolas Bornozis, President & CEO – Capital Link Inc.

Mr. Nicolas Bornozis, stated that: "Today's webinar is the third one in the webinar series we initiated recently aiming to raise the profile of Greece among the international business and investment community. It addresses one of the key topics of concern for international investors, the speed of attribution of justice and specifically

the bankruptcy and restructuring law in Greece, "The New Greek Insolvency Code". This is a pioneering topic and we are delighted and honored that today we have with us the legal experts, and even more the legal "architects" who actually drafted the new law and will share their insight.

Over the last 22 years, Capital Link has been engaged in a systematic effort to raise awareness about Greece as a business and investment destination. The Capital Link Invest in Greece Forum, which takes place in New York every year, has a unique track record of success over its 22-year history. This year, adapting to the new circumstances, we have launched a series of webinars as an introduction to the **22nd Annual Capital Link Invest in Greece Forum "Greece – Looking ahead with Confidence"** which will be held as a virtual event. These webinars feature a number of topics of critical importance for Greece and the international investment and business community. Our next webinar is on Tuesday, October 27th, 2020 – 10.00 AM EST – 3 PM LONDON - 5 PM ATHENS titled "The New Corporate Governance Landscape in Greece - Challenges and Opportunities". Please see detailed information about Capital Link Webinar series at our website: http://webinars.capitallink.com/.

Moderator:

Mr. Fotis Kourmousis, Secretary Special for Private Debt Management, Ministry of Finance Introduction: The new code and its 3 main axes (early warning, preventive restructuring, 2nd chance)

Panelists:

- Mr. Stathis Potamitis, Managing Partner Potamitisvekris
 Presentation: <u>Improvements to the Bankruptcy Framework</u>
- Mr. Alexandros N. Rokas, Attorney at Law Alexandros Rokas Law Office Presentation: Transfer of Business as a Restructuring Tool
- Mr. Alexandros Metallinos, Deputy Managing Partner Karatzas & Partners
 Presentation: Zombie Firms and Stranded Assets Dr Alexander Metallinos Karatzas & Partners
- Mr. Vasilis Portokallis, Judge in the Athens Court of Appeal for Civil and Criminal Cases
 Presentation: <u>Changes to the Judicial Responsibilities Stemming from the New Code</u>

Mr. Fotis Kourmousis, Secretary Special for Private Debt Management, **Ministry of Finance**, noted that: "The law of the New Greek Insolvency Code will be voted in October 2020 and will enter into force as of 1/1/2021. In short, it includes the following 3 main features:

- a) Establishes preventive mechanism, in order to avoid over-indebtedness.
- b) Provides the ability to restructure total debts towards banks, servicers and the public sector (tax authority and social security institutions), which in Greece exceed 234 billion Euros in total. C) Provides the opportunity of 2nd chance, through bankruptcy and discharge of all debts, in accordance with the European Directive 1023/2019. In addition, the law includes State's support targeted at vulnerable households, either through loan subsidy for their primary residence or through housing benefit (allowance)."

Mr. Stathis Potamitis, Managing Partner – Potamitisvekris, discussed the changes that the proposed code will bring to the main bankruptcy proceeding. To date, the bankruptcy proceeding has been a particular weakness of the Greek insolvency framework today. In recent years there are less than 200 bankruptcies per year and a large number of zombies (in the tens of thousands). Another weakness has been the lack of a clear path to debt discharge. Lack of use of bankruptcy means that debtors lack a legal way to resolve their indebtedness, and creditors lack a credible threat.

As he explained, one of the reasons for infrequent use of bankruptcy is that it is procedurally complex, lacks significant creditor input, significant court involvement, liquidation starts late, and can easily be blocked, and there is little expertise on part of administrators and scant incentive to complete the process.

Against this background, the first important reform is the speeding up of liquidation. Second important reform is the strengthening of the role of creditors

Third important reform is the use of a digital registry for all announcements, communications, and procedural steps registration.

Fourth important reform is the introduction of consumer bankruptcy and the automatic discharge of debts of individuals three years after bankruptcy.

Overall, a significant overhaul, making bankruptcy simpler, more transparent, faster, and fairer.

Mr. Alexandros N. Rokas, Attorney at Law - **Alexandros Rokas Law Office**, focused on the importance of transfer of businesses in restructuring practice. This restructuring tool offers high flexibility to restructuring participants,

since they can select which assets and liabilities will be transferred to the investor's company. Moreover, this tool has already been used by companies in Greece (Mr. Rokas mentioned various examples of such cases), while the new Greek Bankruptcy Code is expected to facilitate even more such restructurings. For example, in case of debtors facing severe crisis symptoms, creditors will be able to apply the transfer of business tool, even without debtor's consent.

Mr. Alexandros Metallinos, Deputy Managing Partner - Karatzas & Partners, stated: "Two interconnected problems the economic crisis caused to the Greek economy are those of "zombie" firms and stranded assets.

"Zombie" firms are firms that do not pay part of their debts as they come due, but neither restructure their debts in or out of court, nor become bankrupt.

"Zombie" firms tend to lose value, due to chronic underinvestment, which exacerbates the risks for their creditors. Moreover, "zombie" firms tend to undermine the viability of competitors, because they tend to sell at uncompetitive prices to get even a little revenue, and suppliers, who may get caught-up in a vicious circle of giving more credit to salvage existing receivables.

Stranded assets are assets trapped in very long bankruptcy proceedings, or in zombie firms. These assets also tend to lose value to the detriment of creditors. The existence of stranded assets is also very problematic for the national economy as a whole, because they are not used to create employment, pay taxes etc.

The proposed Code aims to solve these issues by using three policy drivers: emphasis on speed, faith in value determination by the market (rather than abstract valuations) and determination to complete liquidations.

Solving the issue of stranded assets, helps address the issue of "zombie" firms as well, because it creates an incentive for creditors to use the tools of insolvency law."

Mr. Vassilis Portokallis, Judge at the Athens Court of Appeal, Civil and Criminal Law Division, analyzed the changes in the judicial responsibilities stemming from the New Code. He emphasized that the purpose of the new Code is the precipitation of legal proceedings, by abbreviating the time limit of Court discussion of cases, and also by making them simpler. That is achieved by the limited interference of courts in the decision – making process and the enhancement of the administrator's and the creditors' initiatives, with ultimate goal the acceleration of legal proceedings.

He, also, elaborated in which occasions do the Courts interfere in the restructuring procedures and the bankruptcy procedures, the responsibilities of the Judge – Rapporteur according to the new Code and finally, he referred to one of the innovations of the new code, the introduction of the simplified procedure for the small scale bankruptcies and the role of the Courts and the Judge – Rapporteur in this procedure.

Thank you for attending.

CAPITAL LINK GREECE MARKET INSIGHTS WEBINAR SERIES

Capital Link has initiated a series of webinars at regular intervals aimed to raise the profile of Greece as a business and investment destination to a global investment community. The webinars will feature experts who will share their authoritative insight on a broad range of critical topics relevant to the economy and the business and investment opportunities in Greece and the broader region. Capital Link is known for hosting top quality physical and digital conferences around the world as well as a series of webinars and podcasts on a variety of industry, finance and investment topics. Capital Link's events combine top informational and education content with rich marketing and networking opportunities.

UPCOMING WEBINAR

The New Corporate Governance Landscape in Greece - Challenges and Opportunities Tuesday, October 27, 2020 – 10.00 AM EST – 3 PM LONDON - 5 PM ATHENS http://webinars.capitallink.com/

RECENT WEBINARS

• The New Greek Insolvency Code: A Unified Framework for Early Warning, Preventive Restructuring and Bankruptcy – Debt Release POTAMITISVEKRIS

Tuesday, October 6, 2020 – 10.00 AM EST – 3 PM LONDON - 5 PM ATHENS

http://webinars.capitallink.com/2020/greek-bankruptcy

• "EY Attractiveness Survey Greece 2020"
EY

Tuesday, September, 29, 2020 – 18.00 pm Athens – 16.00 pm London – 11.00 am New York http://webinars.capitallink.com/2020/greek-investment/

• The Greek Domestic Corporate Bond Market Grows Strong
Tuesday, September 8, 2020 – 10.00 AM EST – 3 PM LONDON - 5 PM ATHENS
http://webinars.capitallink.com/2020/greek-domestic/

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Capital Link Forums - 2020

- February 20, 2020 11th Annual Capital Link Greek Shipping Forum http://forums.capitallink.com/shipping/2020greece/
- 2. **February 25, 2020** 4th Annual Capital Link Cyprus Shipping Forum http://forums.capitallink.com/shipping/2020cyprus/
- 3. March 30 & March 31, 2020 14th Annual Digital Capital Link International Shipping Forum http://forums.capitallink.com/shipping/2020newyork/
- 4. **June 16 & June 17, 2020** 10th Annual Digital Operational Excellence in Shipping Forum http://forums.capitallink.com/opexcellence/2020/
- 5. **June 23, 2020** 10th Annual Digital Capital Link CSR in Greece Forum http://csringreece.gr/forum/2020/
- 6. **September 10, 2020** 19th Annual Capital Link Closed-End Funds and Global ETFs Forum http://forums.capitallink.com/cef/2020/
- 7. **September 15 & 16, 2020** 5th Annual Digital International Shipping Forum China http://forums.capitallink.com/shipping/2020china/
- 8. October 14 & 15, 2020 12th Annual Digital New York Maritime Forum http://forums.capitallink.com/shipping/2020NYmaritime/
- 9. October 21 & 22, 2020 7th Analyst & Investor Capital Link Shipping Forum: Greek Shipping at the Forefront of Global Trade http://forums.capitallink.com/shipping/2020analyst/
- 10. **December 15 & 16, 2020** 22nd Annual Capital Link Invest in Greece Forum "Greece Looking Ahead With Confidence"- http://forums.capitallink.com/greece/2020/

Capital Link Webinars - 2020

- 11. **February 11, 2020** 2020 MLP and Energy Infrastructure Outlook http://webinars.capitallink.com/2020/alerian/
- 12. **February 14, 2020** Coronavirus & its Effect on Shipping & Trading http://webinars.capitallink.com/2020/coronavirus/
- 13. **February 21, 2020** Navigating Through the Perfect Storm http://webinars.capitallink.com/2020/storm/
- 14. March 4, 2020 Expert Insight: Coronavirus Shipping Companies and Seafarers http://webinars.capitallink.com/2020/impact/
- 15. April 28, 2020 Coronavirus, Climate Change & Smart Shipping Three Maritime Scenarios 2020 -

2050 - Preparing for Changes that are "On the Cards" - http://webinars.capitallink.com/2020/stopford/

16. June 24, 2020 - European Equities - Stock Picking Remains Key - http://webinars.capitallink.com/2020/europeanequities/

- 17. **July 1, 2020** Seafarers Safeguarding The Backbone of Shipping Beyond COVID-19 http://webinars.capitallink.com/2020/seafarers/
- 18. July 8, 2020 Does Size Matter? Shipping Operational Performance & Fleet Size http://webinars.capitallink.com/2020/moore/
- 19. **July 16, 2020** Deep Dive into TEN & the Tanker Sector http://webinars.capitallink.com/2020/TEN/
- 20. **July 27, 2020** Hong Kong's Advantages for Ship Leasing http://webinars.capitallink.com/2020/shipleasing/
- 21. **July 29, 2020** Addressing the Industry's Crewing Challenge During the Covid-19 Era and Beyond http://webinars.capitallink.com/2020/crewing/
- 22. **August 12, 2020** Women in Maritime-The Shipping Agenda and the Mechanisms for Change http://webinars.capitallink.com/2020/maritime/
- 23. **September 8, 2020** The Greek Domestic Corporate Bond Market Grows Strong http://webinars.capitallink.com/2020/greek-domestic/
- 24. **September 29, 2020** EY Attractiveness Survey Greece 2020 http://webinars.capitallink.com/2020/greek-investment/
- 25. **October 6, 2020** The New Greek Insolvency Code: a unified framework for early warning, preventive restructuring and bankruptcy debt release
- 26. October 14 & 15, 2020 12th Annual Digital New York Maritime Forum http://forums.capitallink.com/shipping/2020NYmaritime/
- 27. October 21 & 22, 2020 7th Analyst & Investor Capital Link Shipping Forum: Greek Shipping at the Forefront of Global Trade http://forums.capitallink.com/shipping/2020analyst/
- 28. November 16, 2020 Hong Kong 2nd Annual Hong Kong Maritime Forum
- 29. November 2020 Tokyo 2nd Annual Japan Maritime Forum
- 30. **December 15 & 16, 2020** 22nd Annual Capital Link Invest in Greece Forum "Greece Looking Ahead With Confidence"- http://forums.capitallink.com/greece/2020/
- 31. 2020 Singapore 3rd Annual Capital Link Singapore Maritime Forum

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ORGANIZERS

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Our proactive approach, which integrates **Investor Relations, Information Technology and Media**, enhances awareness and branding for our clients through tailored outreach programs targeting analysts, institutional and individual investors and the financial media complemented by extensive and uniquely powerful marketing platforms. **Capital Link offers a full suite of services including strategic and corporate advisory, investor relations, media relations, public and industry relations and the organization of corporate events. Capital Link is also known for the organization of large scale, high quality Investment Forums** focusing on maritime transportation and U.S. investment products in key industry centers, such as **New York, London, Athens, Limassol, Shanghai, Singapore, Tokyo and Hong Kong.** We organize a series of conferences annually, of which the majority are focused on the maritime sector. **The Capital Link Investment Forums** feature industry leaders and draw the elite of the global financial and investment communities. The **Capital Link brand** is widely–recognized and valued worldwide by participants in these communities for combining rich informational and educational content with as well as superior networking opportunities. In addition to conferences, **Capital Link organizes Webinars** focusing on investment strategies, sectors, critical topics of interest to the investment community and company presentations. Capital Link's **global marketing platform** enhances the visibility and reach of these events on a global scale that lasts well beyond the date on which each event is held, becoming a continuous reference point for market participants.

Capital Link's efforts have been recognized by the 2011 Lloyds's List Greek Shipping Awards, in 2012 and 2013 by the InterContinental Finance Magazine and in 2016 by the Wealth & Finance Magazine, Also, by the International Propeller Club of the United States and AHI–American Hellenic Institute.