

LEGAL INSIGHTS

2013

In 2013, Papapolitis & Papapolitis continues to provide Insights on key issues arising in the legislative and regulatory structure

Following a turbulent 2012 for the economy, Greece continues to push forward with structural reforms and far-reaching legislative changes in an effort for the economy to become more competitive and recover. With political certainty, signs of recovery and greater legal confidence have emerged. Liquidity and access to finance still remains the predominant hurdle for Greek corporations. Those which have diversified receivables by exporting goods or services internationally have gained a competitive advantage and are able to raise money, predominantly from the bond markets, at a significant cost however. We envisage further economic stabilization within 2013 which, together with the recapitalization of the Greek banks and the reduction of sovereign risk as a primary concern which is taking place, should lead to an increase in inward investment driven finance and private equity transactions and greater access to capital.

Signs of inward investment and interest in the Greek market are already visible, with a number of foreign backed private equity transactions already taking place, a recent rise in the Athens Stock Exchange Index and multinationals continuing to operate and expand their activities in the country. Overseas investors have also expressed interest in participating in the privatization process across all sectors, ranging from real-estate, gaming and energy to infrastructure. Although distressed debt are the most attractive type of transactions for foreign financial sponsors, it is unlikely that such transactions will go ahead until the completion of the bank recapitalization programme, with the Greek banks proving unwilling to sell portfolios or structure deals at a major discount.

Both Greek corporates and foreign investors are looking to the incoming legislation which will amend Article 99 of the Bankruptcy Code and provide some much needed clarification of the legal framework governing insolvency, enforcement and restructuring, as well as going some way to unburdening the court system.

Please do not hesitate to contact **Nicholas Papapolitis** at npapapolitis@papapolitis.com in the event that you would like further information on our Legal Insights for 2013.