ΑΙΤΙΟΛΟΓΙΚΗ ΕΚΘΕΣΗ

ΣΤΟ ΣΧΕΔΙΟ ΝΟΜΟΥ

«Κύρωση της από 8 Μαΐου 2010 Σύμβασης Δανειακής Διευκόλυνσης μεταξύ αφενός της Ελληνικής Δημοκρατίας ως δανειολήπτη και αφετέρου των κρατών μελών της Ευρωζώνης και του KfW ως δανειστών καθώς και του από 10 Μαΐου 2010 διακανονισμού χρηματοδότησης άμεσης ετοιμότητας από το Διεθνές Νομισματικό Ταμείο. Συμμετοχή της Ελλάδας στον Ευρωπαϊκό Μηχανισμό Στήριξης»

Με το προτεινόμενο Σχέδιο Νόμου πραγματοποιείται η πολιτική δέσμευση της Κυβέρνησης να φέρει για συζήτηση και κύρωση στην Εθνική Αντιπροσωπεία όλα τα συμβατικά κείμενα, μαζί με τα παραρτήματα και προσαρτήματά τους με τα οποία η ελληνική κυβέρνηση εξασφάλισε τη χρηματοδότηση της χώρας από τα υπόλοιπα κράτη μέλη της Ευρωζώνης με δανειακά κεφάλαια ύψους 80 δις ευρώ και από το Διεθνές Νομισματικό Ταμείο με δανειακά κεφάλαια ύψους 30 δις ευρώ.

Οι δυσμενέστατες συνέπειες που διαμορφώθηκαν για τη χώρα και τους Έλληνες πολίτες από το υπερβολικό μέγεθος του δημόσιου χρέους που αυξήθηκε σε πάνω από 115% του ΑΕΠ το 2009 και του ελλείμματος που εκτινάχθηκε στο 13.6% του ΑΕΠ, απαιτούσαν αποτελεσματική δράση για την προάσπιση του εθνικού συμφέροντος και των Ελλήνων πολιτών. Η κυβέρνηση με αίσθημα ευθύνης για τις σημερινές και τις μελλοντικές γενιές των ελλήνων αποφάσισε απέναντι στον κίνδυνο κατάρρευσης της οικονομίας λόγω της αδυναμίας δανεισμού της χώρας, να ζητήσει τη στήριξη της Ελλάδας από τα κράτη μέλη της Ευρωζώνης σε συνδυασμό με το διακανονισμό χρηματοδότησης αμέσου ετοιμότητας του Διεθνούς Νομισματικού Ταμείου.

Η προσφυγή της χώρας στους παραπάνω μηχανισμούς υπαγορεύτηκε από την ένταση της οικονομικής ύφεσης κατά το τρέχον έτος, σε συνέχεια της μείωσης του πραγματικού ΑΕΠ της χώρας κατά 2% το 2009 και την περαιτέρω αποδυνάμωση της οικονομικής δραστηριότητας. Τα δημόσια οικονομικά βρέθηκαν σε μία μη βιώσιμη τροχιά, με ένα πρωτοφανές για τη χώρα δημόσιο χρέος και με ένα πολύ μεγάλο δημοσιονομικό έλλειμμα, εξαιτίας της υιοθέτησης λανθασμένων προηγούμενων επιλογών που οδήγησαν σε κατάρρευση των δημοσίων εσόδων και σε ανεξέλεγκτη αύξηση των δημοσίων δαπανών.

Εντός αυτού του πλαισίου της επιδεινούμενης δημοσιονομικής κατάστασης έγιναν υποβαθμίσεις των κυβερνητικών ομολόγων από τους οίκους αξιολόγησης και οι επενδυτές άρχισαν να υποχωρούν από τα ελληνικά ομόλογα, πιέζοντας κατ' αυτόν τον τρόπο τις αποδόσεις τους. Ο συνδυασμός των παραπάνω παραγόντων επηρέασε αρνητικά το χρηματοπιστωτικό σύστημα, ενώ παράλληλα άρχισε να δημιουργείται πίεση ρευστότητας στις τράπεζες εξαιτίας του κόστους δανεισμού στη διατραπεζική αγορά.

Η οριακή μόνο μείωση του εξωτερικού ελλείμματος της χώρας, με τον πληθωρισμό και το εγχώριο κόστος να έχουν αυξηθεί στην Ελλάδα περισσότερο εν συγκρίσει με τα άλλα κράτη μέλη της Ευρωζώνης, και με δεδομένη την σημαντική απώλεια ανταγωνιστικότητας της χώρας την τελευταία δεκαετία οδήγησαν σε ιδιαιτέρως αρνητικές εξελίξεις που αποκρυσταλλώνονται στη διαμόρφωση του εξωτερικού ελλείμματος στο ισοζύγιο τρεχουσών συναλλαγών στο τέλος του 2009 σε ποσοστό άνω του 11% του ΑΕΠ, στην υπέρβαση του αρνητικού 83% του ΑΕΠ για την καθαρή διεθνή επενδυτική θέση της χώρας και στην αύξηση του συνόλου των δαπανών που αφορούν τόκους για το εξωτερικό χρέος σε ποσοστό άνω του 5% του ΑΕΠ.

Η Κυβέρνηση αποφάσισε με τόλμη όχι μόνο να μην αποκρύψει την πραγματικά δυσχερή κατάσταση αλλά να θέσει στόχους για να ανατραπεί οριστικά αυτό το περιβάλλον που δημιουργεί αβεβαιότητα και ανησυχία στους Έλληνες πολίτες.

Πρώτος και κύριος στόχος είναι η διόρθωση των δημοσιονομικών και εξωτερικών ανισορροπιών, προκειμένου να αποκατασταθεί η εμπιστοσύνη. Δυστυχώς το κόστος χρηματοδότησης της οικονομίας της χώρας θα συνεχίσει αναπόφευκτα να είναι υψηλό για ορισμένο χρονικό διάστημα. Η πρόκληση της ταυτόχρονης αντιμετώπισης της ανάγκης για διόρθωση των δημοσιονομικών ανισορροπιών σε συνδυασμό με το υψηλό κόστος χρηματοδότησης του χρέους απαιτεί μια ριζική ανασυγκρότηση της οικονομίας μέσα από τομές και διαρθρωτικές αλλαγές που θα οδηγήσουν τη χώρα σε ένα νέο πρότυπο βιώσιμης ανάπτυξης. Απαιτείται νέος προσανατολισμός της οικονομίας της Ελλάδας για μια δυναμική ανάπτυξη και απασχόληση μέσω των αναγκαίων, όσο ποτέ άλλοτε, δυναμικών μεσοπρόθεσμων δημοσιονομικών και διαρθρωτικών πολιτικών.

Η Κυβέρνηση εκτιμά ότι απαιτείται μία εκτεταμένη περίοδος προσαρμογής, στην οποία αρχικά ο ρυθμός ανάπτυξης του πραγματικού ΑΕΠ θα περιοριστεί κατά το 2010-2011, αλλά αναμένεται να ανακάμψει σταδιακά στη συνέχεια. Αν και η σημαντική προσπάθεια δημοσιονομικής εξυγίανσης επιβαρύνει αρχικά την οικονομική δραστηριότητα, αναμένεται ότι το σύνολο των μέτρων που έχουν σχεδιασθεί (εμπροσθοβαρή δημοσιονομικά μέτρα και ισχυρό μεσοπρόθεσμο οικονομικό πρόγραμμα σε συνδυασμό με ριζικές διαρθρωτικές μεταρρυθμίσεις) δημιουργούν τις συνθήκες για την επιστροφή σε θετική ανάπτυξη από το 2012 και μετά. Απαραίτητος σημαντικός όρος για την επιτυχία της προσπάθειας αυτής είναι να μειωθεί σημαντικά ο πληθωρισμός κάτω από το μέσο όρο της Ευρωζώνης για να ανακτήσει η χώρα ανταγωνιστικότητα. Στόχος είναι να βελτιωθούν οι εξαγωγές και να μειωθεί η εξάρτηση της οικονομίας μας από τις εισαγωγές.

Για να υλοποιηθεί αποτελεσματικά η στρατηγική της κυβέρνησης θα γίνει χρήση όλων των διαθέσιμων δημοσιονομικών, χρηματοπιστωτικών και διαρθρωτικών πολιτικών. Η οικονομία της χώρας έχει απόλυτη ανάγκη από ένα ισχυρό και βιώσιμο πρόγραμμα προσαρμογής για τη διόρθωση των δημοσιονομικών ανισορροπιών και τη στροφή του χρέους σε καθοδική πορεία μεσοπρόθεσμα, τη διατήρηση της σταθερότητας του τραπεζικού συστήματος και την ανάκτηση της ανταγωνιστικότητας.

Στο πλαίσιο αυτό συνεπώς η δημοσιονομική προσαρμογή γίνεται ο ακρογωνιαίος λίθος του προγράμματος, προκειμένου να τεθεί ο λόγος του χρέους προς ΑΕΠ σε καθοδική πορεία από το 2013 και έπειτα, και να διατηρηθεί και μετά το πρόγραμμα μέσω της επίτευξης σημαντικών πρωτογενών πλεονασμάτων (τουλάχιστον 5% του ΑΕΠ) μέχρι το 2020. Για τη διατήρηση της δημοσιονομικής εξυγίανσης στο μεσοπρόθεσμο διάστημα, η κυβέρνηση έχει δεσμευθεί να ενδυναμώσει το πλαίσιο δημοσιονομικής πολιτικής και τους θεσμούς που διέπουν τη δημοσιονομική διαχείριση.

Υπό τις συνθήκες αυτές καθίσταται αναγκαίο να στηριχθεί η προσπάθεια για δημοσιονομική προσαρμογή και επανάκτηση της ανταγωνιστικότητας της ελληνικής οικονομίας, με την κατάλληλη εισοδηματική πολιτική και την πολιτική κοινωνικής προστασίας. Η εισοδηματική πολιτική είναι αναγκαία για τη στήριξη της δημοσιονομικής διόρθωσης και τη μείωση του πληθωρισμού σε επίπεδα κάτω από τον μέσο όρο της Ευρωζώνης, καθώς και για τη βελτίωση της ανταγωνιστικότητας κόστους και τιμών σε μόνιμη βάση. Τα προγράμματα κοινωνικής ασφάλισης πρέπει να ενδυναμωθούν για να αντιμετωπίσουν υποβόσκουσες διαρθρωτικές ανισορροπίες που οφείλονται στη γήρανση του πληθυσμού, καθώς τα κόστη των ασφαλιστικών παροχών στη χώρα αναμένεται να είναι από τα υψηλότερα στην Ευρωπαϊκή Ένωση με τις υφιστάμενες πολιτικές. Δεδομένου ότι οι μεγαλύτερες υπερβάσεις ετησίως στον προϋπολογισμό προέρχονται συστηματικά από τα ταμεία κοινωνικής ασφάλισης, οι μεταρρυθμίσεις για την περιφρούρηση της βιωσιμότητας του συστήματος έχουν επείγοντα χαρακτήρα.

Σημαντικό ρόλο διαδραματίζουν και οι πολιτικές στον χρηματοπιστωτικό τομέα με στόχο τη διατήρηση της σταθερότητας. Παρά το γεγονός ότι τα κεφαλαιακά αποθέματα στο τραπεζικό σύστημα στην παρούσα φάση είναι επαρκή, η η Κυβέρνηση και η Τράπεζα της Ελλάδος θα ενισχύσουν και θα αποσαφηνίσουν τα κύρια στοιχεία του ελληνικού εποπτικού πλαισίου και του πλαισίου διαχείρισης χρηματοπιστωτικών κρίσεων, ώστε να βοηθήσουν το τραπεζικό σύστημα στη διάρκεια αυτής της περιόδου χαμηλής ανάπτυξης με στενή παρακολούθηση της ρευστότητας και των μη εξυπηρετούμενων δανείων ανά τράπεζα.

Οι διαρθρωτικές αλλαγές που θα προάγουν την ικανότητα της οικονομίας να παράγει, να αποταμιεύει και να εξάγει πρέπει να είναι αποφασιστικής σημασίας για να επιτευχθεί μεσοπρόθεσμη ανάκαμψη. Ένα φιλόδοξο πρόγραμμα μεταρρυθμίσεων πρόκειται να υλοποιηθεί για τον εκσυγχρονισμό του δημόσιου τομέα, την αύξηση της αποτελεσματικότητας των αγορών προϊόντων και εργασίας, και τη δημιουργία ενός ανοικτού και προσβάσιμου περιβάλλοντος για τους επενδυτές και για τη μείωση της άμεσης συμμετοχής του δημοσίου στις βιομηχανίες της χώρας.

Η δίκαιη κατανομή του κόστους προσαρμογής αποτελεί βασική δέσμευση της κυβέρνησης και η προστασία των πιο ευάλωτων και ευπαθών ομάδων της ελληνικής κοινωνίας λαμβάνεται υπόψη στο σχεδιασμό των πολιτικών προσαρμογής. Για το λόγο αυτό προβλέπεται μεγαλύτερη συνεισφορά από όσους δεν είχαν μέχρι σήμερα επιβαρυνθεί με το μερίδιο που τους αναλογεί.

Η εφαρμογή του παραπάνω προγράμματος σε συνδυασμό με τις τρέχουσες δυσμενείς συνθήκες στις αγορές ομολόγων απαιτεί την χρηματοδοτική στήριξη της Ελλάδας έως ότου να αποκατασταθεί η εμπιστοσύνη στις αγορές και ανακτηθεί η αξιοπιστία της χώρας έναντι των επενδυτών, μέσα από την επιτυχή υλοποίηση του προγράμματος προσαρμογής και την επίτευξη των δημοσιονομικών και οικονομικών στόχων. Η χρηματοδοτική στήριξη που έχει ανάγκη η Ελλάδα, συμφωνήθηκε να δοθεί από τις χώρες της Ευρωζώνης και το Διεθνές Νομισματικό Ταμείο στη βάση ενός από κοινού συμφωνηθέντος προγράμματος οικονομικής πολιτικής.

Οι μεσοπρόθεσμοι δημοσιονομικοί και οικονομικοί στόχοι της Ελλάδας περιγράφονται στο Μνημόνιο Συνεννόησης, το οποίο συμφωνήθηκε στις 3 Μαΐου 2010 μεταξύ της Ευρωπαϊκής Επιτροπής για λογαριασμό των κρατών μελών της Ευρωζώνης και της Ελληνικής Δημοκρατίας. Το Μνημόνιο απετέλεσε τη βάση συμφωνίας για την ενεργοποίηση του Μηχανισμού Στήριξης από τα κράτη μέλη της Ευρωζώνης και του Μηχανισμού χρηματοδότησης άμεσης ετοιμότητας του Διεθνούς Νομισματικού Ταμείου.

Ειδικότερα επί του άρθρου πρώτου

α) Σύμβαση Δανειακής Διευκόλυνσης

Μετά την από 23 Απριλίου 2010 αίτηση της Ελλάδας για χρηματοδότηση μέσω διμερών δανείων από τα υπόλοιπα κράτη μέλη της ζώνης του ευρώ σε συνέχεια της Δήλωσης των Αρχηγών Κρατών και Κυβερνήσεων της ζώνης του ευρώ της 25ης Μαρτίου 2010 και της Δήλωσης της Ευρωομάδας της 11ης Απριλίου 2010, τα κράτη μέλη της Ευρωζώνης, αποφάσισαν στις 2 Μαΐου 2010 να παρέχουν στήριξη σταθερότητας στην Ελλάδα, σε διακυβερνητικό πλαίσιο, μέσω κοινά οργανωμένων διμερών δανείων. Τα δάνεια αυτά χορηγούνται σε συνδυασμό με τη χρηματοδότηση από το Διεθνές Νομισματικό Ταμείο (Δ.Ν.Τ.) βάσει του Διακανονισμού Χρηματοδότησης Άμεσης Ετοιμότητας του Δ.Ν.Τ. Για το λόγο αυτό αποφασίστηκε στις 5 Μαΐου 2010 από τους εκπροσώπους των Κρατών Μελών της Ευρωπαϊκής Ένωσης να ανατεθούν στην Επιτροπή καθήκοντα συντονισμού και διαχείρισης των συντονισμένων διμερών δανείων, όπως ορίζονται στη Συμφωνία μεταξύ των Πιστωτών, που συνάφθηκε στις 8 Μαΐου 2010, ασκώντας όλες τις λειτουργίες, τα δικαιώματα και τις υποχρεώσεις που απορρέουν από αυτή τη Σύμβαση μέσω της Επιτροπής.

Αντίστοιχα η Ελλάδα αναλαμβάνει τη δέσμευση να εφαρμόσει τα μέτρα για την επιτήρηση της δημοσιονομικής πειθαρχίας και τις κατευθυντήριες γραμμές της οικονομικής πολιτικής με βάση τις αποφάσεις του Ευρωπαϊκού Συμβουλίου δυνάμει των άρθρων 126(9) και 136 της Συνθήκης για τη Λειτουργία της Ευρωπαϊκής Ένωσης, τα οποία προβλέπονται στο Μνημόνιο Συνεννόησης που συστατικά του μέρη είναι το Μνημόνιο Οικονομικής και Χρηματοπιστωτικής πολιτικής, το Μνημόνιο στις συγκεκριμένες προϋποθέσεις Οικονομικής Πολιτικής και το Τεχνικό Μνημόνιο Συνεννόησης, όπως μπορεί κατά διαστήματα να τροποποιείται ή/ και να συμπληρώνεται. Η διαθεσιμότητα του πρώτου δανείου εξαρτήθηκε από την υπογραφή του Μνημονίου Συνεννόησης και την έναρξη ισχύος της παρούσας Σύμβασης, ενώ η διαθεσιμότητα των επόμενων δανείων εξαρτάται από τη θετική απόφαση των υπολοίπων κρατών μελών της Ευρωζώνης μετά από διαβούλευση με την Ευρωπαϊκή Κεντρική Τράπεζα (ΕΚΤ) για την εφαρμογή των συμφωνηθέντων με βάση τα παραπάνω.

Η Επιτροπή ανοίγει έναν λογαριασμό στο όνομα των υπολοίπων Κρατών Μελών της Ευρωζώνης στην ΕΚΤ, που χρησιμοποιείται για την διενέργεια όλων των πληρωμών εκ μέρους τους και εκ μέρους της Ελλάδας, ενώ η Ελλάδα έχει ορίσει την Τράπεζα της Ελλάδας ως αντιπρόσωπό της για τους σκοπούς της Σύμβασης αυτής. Η Ομοσπονδιακή Δημοκρατία της Γερμανίας έχει ορίσει τον χρηματοπιστωτικό όμιλο KfW ως δανειστή για λογαριασμό της Γερμανίας, που υπόκειται στις οδηγίες, τελεί υπό την εγγύηση και ενεργεί για το δημόσιο συμφέρον της Γερμανίας.

Στο άρθρο 1 ορίζεται το ύψος της διαθέσιμης δανειακής διευκόλυνσης προς την Ελλάδα που ανέρχεται σε ποσό ύψους μέχρι ογδόντα δις Ευρώ και η αναληφθείσα δέσμευση για κάθε κράτος μέλος της Ευρωζώνης. Καθορίζονται τα δικαιώματα και οι υποχρεώσεις των δανειστών (άρθρο 2), οι διαδικασίες ανάληψης, ο προσδιορισμός του καθαρού ποσού εκταμίευσης και οι αναγκαίοι όροι για τις αναλήψεις, τη διαθεσιμότητα και τις εκταμιεύσεις (άρθρο 3) καθώς και οι εκατέρωθεν εγγυήσεις και υποχρεώσεις (άρθρο 4). Στη συνέχεια προσδιορίζεται το επιτόκιο, τα κόστη και οι δαπάνες, ο τρόπος και οι διαδικασίες αποπληρωμής, πρώιμης αποπληρωμής, υποχρεωτικής αποπληρωμής ή και ακύρωσης καθώς και οι πληρωμές (άρθρα 5, 6 και 7). Οι λόγοι καταγγελίας των αντισυμβαλλομένων, οι σχετικές υποχρεώσεις για επιθεωρήσεις, πρόληψης της απάτης και ελέγχους της Επιτροπής, οι απαιτούμενες γνωστοποιήσεις εκ μέρους των συμβαλλομένων, η δυνατότητα και οι προϋποθέσεις για την εκχώρηση και μεταβίβαση δικαιωμάτων και υποχρεώσεων των δανειστών περιλαμβάνονται επίσης στην εν λόγω Σύμβαση.

Η Σύμβαση παραπέμπει στο κείμενο της Συμφωνίας μεταξύ των Πιστωτών, δηλαδή της Συμφωνίας για την παροχή στην Ελλάδα στήριξης σταθερότητας μέσω των κοινά οργανωμένων διμερών δανείων, η οποία προηγήθηκε της Σύμβασης Δανειακής Διευκόλυνσης, προκειμένου να ρυθμίσουν τις μεταξύ τους σχέσεις.

Συγκεκριμένα, με την Συμφωνία αυτή καθορίστηκε ο τρόπος με τον οποίο κάθε δανειστής δεσμεύεται από την Σύμβαση, ορίστηκε η Επιτροπή ως εκπρόσωπός τους ως προς την οργάνωση και διαχείριση των Δανείων, εξουσιοδοτήθηκε επίσης, η Επιτροπή να ανοίξει λογαριασμό στην ΕΚΤ στο όνομα των δανειστών για τη δι, ενέργεια όλων των πληρωμών, καθορίστηκε η διαδικασία έγκρισης της εκταμίευσης των δανείων αλλά και ο τρόπος διεξαγωγής της, προβλέφθηκε ο τρόπος υπολογισμού των τόκων αλλά και η διαδικασία ανακατανομής των συμμετοχών τους. Ως διάρκεια της εν λόγω Συμφωνίας ορίστηκε η τελική εξόφληση των ποσών της Συμφωνίας Δανειακής Διευκόλυνσης και πάντως όχι πέραν του τριετούς προγράμματος που προβλέπει το Μνημόνιο Συνεννόησης.

Επίσης η Σύμβαση Δανειακής Διευκόλυνσης παραπέμπει στο κείμενο του Μνημονίου Συνεννόησης.

Επί του άρθρου δεύτερου

Με την απόφαση του Ευρωπαϊκού Συμβουλίου της 9ης Μαΐου 2010 αποφασίστηκε η θεσμοθέτηση ενός Ευρωπαϊκού Μηχανισμού Στήριξης. Ο Ευρωπαϊκός Μηχανισμός Στήριξης (ΕΜΣ) αποτελεί καρπό της συνειδητοποίησης από τα κράτη μέλη της Ε.Ε., του γεγονότος ότι η κρίση πληρωμών στην οποία οριακά βρέθηκε η Ελλάδα δεν ήταν μεμονωμένο και δυνάμενο ανεξάρτητης αντιμετώπισης ζήτημα που οφειλόταν αποκλειστικά στη δημοσιονομική πραγματικότητα και κατάρρευση στην Ελλάδα, αλλά πρoάγγελος γενικότερων αναταράξεων στην ευρωζώνη, που κινδύνευε να αποσταθεροποιήσει το Ευρώ και να έχει μεσοπρόθεσμα καταστροφικές συνέπειες για όλα τα κράτη μέλη.

Η πρωτοφανής αυτή κατάσταση έκανε εμφανές ότι το Σύμφωνο Σταθερότητας και Ανάπτυξης με τα ονομαστικά του κριτήρια και τις κυρώσεις που προβλέπει για τις αποκλίνουσες από τα κριτήρια αυτά χώρες, δεν επαρκεί προκειμένου να εξασφαλιστεί η δημοσιονομική σταθερότητα και η ισόρροπη ανάπτυξη στην ευρωζώνη και στο σύνολο της ΕΕ. Χρειάζονται χρηματοδοτικές παρεμβάσεις μεγάλου βεληνεκούς, στενή παρακολούθηση των προϋπολογισμών των κρατών μελών, ευρύτερος και εντονότερος συντονισμός των οικονομικών τους πολιτικών και προοπτικά άσκηση κοινής δημοσιονομικής πολιτικής και έλεγχο του χρηματοπιστωτικού συστήματος.

Ο Ευρωπαϊκός Μηχανισμός Στήριξης αποτελεί μία πρώτη απάντηση στα παραπάνω αδιέξοδα. Θέτει για τρία χρόνια στη διάθεση των πλέον ευάλωτων εταίρων 60 δις Ευρώ από τα αποθέματα του κοινοτικού προϋπολογισμού και άλλα 440 δις Ευρώ από τα κράτη μέλη της ευρωζώνης και 250 δις Ευρώ από το ΔΝΤ, συνολικά δηλαδή το σημαντικό ποσό των 750 δις Ευρώ, το οποίο συνιστά την ασπίδα απέναντι σε κερδοσκοπικές επιθέσεις στις αγορές εναντίον των χωρών που θα βρεθούν σε επισφαλή θέση. Δεν είναι τυχαίο ότι ο Ευρωπαϊκός Μηχανισμός Στήριξης ακολουθεί σχεδόν κατά γράμμα τον αντίστοιχο ελληνικό μηχανισμό των 110 δις. Η συνολική αυτή επιστράτευση σχεδόν ενός τρισεκατομμυρίου Ευρώ, με τις προϋποθέσεις επιτήρησης και ελέγχων που τη συνοδεύουν, συνιστά εμβρυακή μορφή μιας μελλοντικής κοινής ευρωπαϊκής δημοσιονομικής πολιτικής.

Η χώρα μας που έχει ήδη χρηματοδοτηθεί και θα χρηματοδοτείται για μία τριετία από τη δανειακή διευκόλυνση που εγκρίθηκε τον περασμένο μήνα, δεν θα συμμετάσχει άμεσα στον ευρωπαϊκό μηχανισμό, ή ακριβέστερα θεωρείται ότι έχει ήδη συμμετάσχει, εφόσον ο Ευρωπαϊκός Μηχανισμός Στήριξης αποτελεί συνέχεια και προέκταση του ελληνικού. Θα συμμετάσχει βέβαια στο νομικό πρόσωπο που θα τον υλοποιήσει και θα συμμετάσχει πλήρως στο μέλλον όταν θα έχει βγει από την κρίση και θα έχει εκπληρώσει τις υποχρεώσεις που έχει αναλάβει.

Με το άρθρο δεύτερο παρέχεται η εξουσιοδότηση στον Υπουργό Οικονομικών να εκπροσωπεί την Ελλάδα και να υπογράφει κάθε σχετικό μνημόνιο συνεργασίας, συμφωνία ή σύμβαση δανεισμού, διμερή ή πολυμερή, με την Ευρωπαϊκή Επιτροπή, τα κράτη μέλη της Ευρωζώνης και την Ευρωπαϊκή Κεντρική Τράπεζα, και να συμμετέχει σε όλες τις διαδικασίες του υπό ολοκλήρωση Ευρωπαϊκού Μηχανισμού Στήριξης.

Επί του άρθρου τρίτου

Με το άρθρο Τρίτο ορίζεται η έναρξη ισχύος του νόμου.

Επισημαίνεται ότι με το ν. 3845/2010 παρασχέθηκε εξουσιοδότηση για την υπογραφή των δανειακών συμβάσεων στον Υπουργό Οικονομικών, ενώ με τον ίδιο νόμο, όπως συμπληρώθηκε με το ν. 3847/2010, ορίσθηκε ότι οι δανειακές συμβάσεις ισχύουν από την ημερομηνία υπογραφής τους, προκειμένου να καταστεί δυνατή η έγκαιρη εκταμίευση της πρώτης δόσης του δανείου.

Αυτά επιδιώκονται με το προτεινόμενο σχέδιο νόμου και παρακαλείται η Εθνική Αντιπροσωπεία για την ψήφισή του.

Αθήνα 3 Ιουνίου 2010

Ο ΥΠΟΥΡΓΟΣ ΟΙΚΟΝΟΜΙΚΩΝ

ΓΙΩΡΓΟΣ ΠΑΠΑΚΩΝΣΤΑΝΤΙΝΟΥ

ΣΧΕΔΙΟ ΝΟΜΟΥ

«ΚΥΡΩΣΗ ΤΗΣ ΑΠΟ 8 ΜΑΪΟΥ 2010 ΣΥΜΒΑΣΗΣ ΔΑΝΕΙΑΚΗΣ ΔΙΕΥΚΟΛΥΝΣΗΣ ΜΕΤΑΞΥ ΑΦΕΝΟΣ ΤΗΣ ΕΛΛΗΝΙΚΗΣ ΔΗΜΟΚΡΑΤΙΑΣ ΩΣ ΔΑΝΕΙΟΛΗΠΤΗ ΚΑΙ ΑΦΕΤΕΡΟΥ ΚΡΑΤΩΝ ΜΕΛΩΝ ΤΗΣ ΕΥΡΩΖΩΝΗΣ ΚΑΙ ΤΟΥ KfW ΩΣ ΔΑΝΕΙΣΤΩΝ ΚΑΘΩΣ ΚΑΙ ΤΟΥ ΑΠΟ 10 ΜΑΪΟΥ ΔΙΑΚΑΝΟΝΙΣΜΟΥ ΧΡΗΜΑΤΟΔΟΤΗΣΗΣ ΑΜΕΣΟΥ ΕΤΟΙΜΟΤΗΤΑΣ ΑΠΟ ΤΟ ΔΙΕΘΝΕΣ ΝΟΜΙΣΜΑΤΙΚΟ ΤΑΜΕΙΟ. ΣΥΜΜΕΤΟΧΗ ΤΗΣ ΕΛΛΑΔΑΣ ΣΤΟΝ ΕΥΡΩΠΑΪΚΟ ΜΗΧΑΝΙΣΜΟ ΣΤΗΡΙΞΗΣ»

Άρθρο πρώτο

Κυρώνονται: α) η Σύμβαση Δανειακής Διευκόλυνσης μαζί με τα επτά παραρτήματά της, που υπογράφηκε στις 8 Μαΐου 2010, μεταξύ αφενός της Ελληνικής Δημοκρατίας ως δανειολήπτη και της Τράπεζας της Ελλάδος ως αντιπροσώπου του δανειολήπτη και αφετέρου των ακόλουθων κρατών μελών των οποίων νόμισμα είναι το ευρώ: Βασίλειο του Βελγίου, Ιρλανδία, Βασίλειο της Ισπανίας, Γαλλική Δημοκρατία, Ιταλική Δημοκρατία, Κυπριακή Δημοκρατία, Μεγάλο Δουκάτο του Λουξεμβούργου, Δημοκρατία της Μάλτας, Βασίλειο των Κάτω Χωρών, Δημοκρατία της Αυστρίας, Πορτογαλική Δημοκρατία, Δημοκρατία της Σλοβενίας, Σλοβακική Δημοκρατία, Δημοκρατία της Φινλανδίας και του KfW, που υπόκειται στις οδηγίες, τελεί υπό την εγγύηση και ενεργεί προς το δημόσιο συμφέρον της Ομοσπονδιακής Δημοκρατίας της Γερμανίας, καθώς και η Συμφωνία μεταξύ των Πιστωτών (Intercreditor Agreement) με τα πέντε παραρτήματά της, που υπογράφηκε στις 8 Μαΐου 2010 και το Μνημόνιο Συνεννόησης που υπογράφηκε στις 3 Μαΐου 2010, μεταξύ της Ευρωπαϊκής Επιτροπής που ενεργεί για λογαριασμό των κρατών μελών της Ευρωζώνης και της Ελληνικής Δημοκρατίας, που συνοδεύουν τη Σύμβαση Δανειακής Διευκόλυνσης·

β) Ο Διακανονισμός Χρηματοδότησης Αμέσου Ετοιμότητας που συμφωνήθηκε κατόπιν της από 3 Μαΐου 2010 επιστολής πρόθεσης του Υπουργού Οικονομικών και του Διοικητή της Τράπεζας της Ελλάδος για χρηματοδότηση από το Διεθνές Νομισματικό Ταμείο (Δ.Ν.Τ.) καθώς και της από 9 Μαΐου 2010 απόφασης έγκρισης της Εκτελεστικής

Επιτροπής του Δ.Ν.Τ. για την χρηματοδότηση αμέσου ετοιμότητας για την Ελλάδα, που κοινοποιήθηκε με την από 11 Μαΐου 2010 επιστολή του Δ.Ν.Τ. προς τον Υπουργό Οικονομικών.

Τα παραπάνω κείμενα στην επίσημη αγγλική γλώσσα, και σε μετάφρασή τους στην ελληνική γλώσσα , έχουν ως εξής:

<<

EUR 80 000 000 000
LOAN FACILITY AGREEMENT

between

THE FOLLOWING MEMBER STATES WHOSE CURRENCY IS THE EURO:

KINGDOM OF BELGIUM, IRELAND, KINGDOM OF SPAIN, FRENCH REPUBLIC, ITALIAN REPUBLIC, REPUBLIC OF CYPRUS, GRAND DUCHY OF LUXEMBOURG, REPUBLIC OF MALTA, KINGDOM OF THE NETHERLANDS, REPUBLIC OF AUSTRIA, PORTUGUESE REPUBLIC, REPUBLIC OF SLOVENIA, SLOVAK REPUBLIC and REPUBLIC OF FINLAND

and

KfW, acting in the public interest, subject to the instructions of and with the benefit of the guarantee of the Federal Republic of Germany,

as Lenders

and

THE HELLENIC REPUBLIC
as Borrower

THE BANK OF GREECE
as Agent to the Borrower

8 MAY 2010

THIS LOAN FACILITY AGREEMENT *(the* ***"Agreement"****)*
is made by and between:

(A) *The Following Member States whose currency is the euro: Kingdom of Belgium, Ireland, Kingdom of Spain, French Republic, Italian Republic, Republic of Cyprus, Grand Duchy of Luxembourg, Republic of Malta, Kingdom of the Netherlands, Republic of Austria, Portuguese Republic, Republic of Slovenia, Slovak Republic and Republic of Finland, represented by the European Commission (hereinafter referred to as the* ***"Commission"****) and* ***KfW*** *acting in the public interest, subject to the instructions of and with the benefit of the guarantee of the Federal Republic of Germany (hereinafter referred to as the* ***"Lenders"*** *and each, a* ***"Lender"****);*

(B) *The* ***Hellenic Republic*** *(hereinafter referred to as* ***"Greece"*** *or the* ***"Borrower"****), represented by the Minister of Finance; and*

(C) *The* ***Bank of Greece*** *acting as agent on behalf of the Borrower (hereinafter referred to as the* ***"Borrower's Agent"****), represented by the Governor of the Bank of Greece.*

PREAMBLE

Whereas:

(1) *Greece has on 23 April 2010 requested bilateral loans from the other Member States whose currency is the euro in accordance with the Statement of the Heads of State and Government of the euro area of 25 March 2010 and the Statement of the Eurogroup of 11 April 2010.*

(2) *Pursuant to that request, the representatives of the Member States whose currency is the euro (the* ***"Euro Area Member States"****), other than Greece, have decided on 2 May 2010 to provide stability support to Greece in an intergovernmental framework via pooled bilateral loans.*

(3) *The loans are granted in conjunction with the funding from the International Monetary Fund (the* ***"IMF"****) under a stand-by arrangement (the* ***"IMF Stand-by Arrangement"****).*

(4) *Representatives of the Member States of the European Union have decided on 5 May 2010 to entrust the Commission with the tasks in relation to the coordination and management of the pooled bilateral loans as set out in an Intercreditor Agreement concluded on 8 May 2010 (the* ***"Intercreditor Agreement"****).*

(5) *The Lenders in all their functions, rights and obligations under this Agreement act through and are represented by the Commission. The Lenders have agreed to act in a coordinated manner and to channel communications to the Commission through the Euro Working Group Chairman.*

(6) *Measures concerning the coordination and surveillance of the budgetary discipline of Greece and setting out economic policy guidelines for Greece will be defined in a Council decision on the basis of Articles 126(9) and 136 of the Treaty on the Functioning of the European Union (the* ***"TFEU"****), and the support granted to Greece is made dependent on compliance by Greece with measures consistent with such decision and laid down in a Memorandum of Economic and Financial Policies, Memorandum of Understanding on Specific Economic Policy Conditionality and Technical Memorandum of Understanding (hereinafter referred to together as the* ***"MoU"****) signed originally on 3 May 2010 by the Commission after approval by all the Euro Area Member States (except Greece), by the Borrower and the Bank of Greece (as may amended and/or supplemented from time to time).*

(7) *The release of the first Loan shall be conditional upon the signature of the MoU and the entry into force of this Agreement.*

(8) *The release of Loans subsequent to the first one shall be conditional upon the Euro Area Member States (except Greece) deciding favourably after consultation with the European Central Bank (hereinafter the **"ECB"**) on the basis of the findings of verification by the Commission that the implementation of the economic policy of the Borrower accords with the adjustment programme or any other conditions laid down in the Council decision on the basis of Articles 126(9) and 136 TFEU and the MoU.*

(9) *The Commission shall open an account in the name of the Lenders with the ECB, to be used for processing all payments on behalf of the Lenders and the Borrower in the context of this Agreement.*

(10) *Greece has designated the Bank of Greece as its agent for the purposes of this Agreement.*

(11) *Appropriate measures related to the prevention of, and the fight against fraud, corruption and other irregularities which might affect the support granted by this Agreement or the effective use of the funds drawn hereunder shall be taken by the authorities of the Borrower.*

(12) *The Commission shall have the right to perform on-the-spot checks and inspections, where appropriate.*

(13) *Given the need for some Lenders to complete national procedures (including, where appropriate, parliamentary authorisation) before being able to commit to participate in the funding of loans to be made under this Agreement, the initial loans may have to be funded by some Lenders only with a subsequent reallocation of participations as and when these procedures have been completed.*

(14) *The Federal Republic of Germany (**"Germany"**) has designated KfW as Lender on behalf of Germany for the purposes of this Agreement. Accordingly, references to KfW as Lender refer to KfW acting in the public interest, subject to the instructions of and with the benefit of the guarantee of Germany.*

Now, therefore, the parties hereto have agreed as follows:

1. *THE FACILITY*

(1) *The Lenders make available to the Borrower a loan facility (hereinafter referred to as the **"Facility"**) in euro in an aggregate principal amount of up to EUR 80 000 000 000 (Euro eighty billion), subject to the terms and conditions of the MoU and this Agreement.*

(2) *The maximum amount that each Lender shall contribute under the Facility is the amount set opposite its name under the heading "Commitment" in Annex 1 as and to the extent increased, cancelled or reduced pursuant to the terms of this Agreement and the Intercreditor Agreement (for each Lender, its **"Commitment"** and the aggregate of their Commitments is equal to the **"Total Commitment"**).*

(3) *The Borrower shall apply all amounts borrowed by it under the Facility in conformity with its obligations under the MoU.*

2. *LENDERS' RIGHTS AND OBLIGATIONS*

(1) *The obligations of each Lender under this Agreement shall be several. Failure by a Lender to perform its obligations under this Agreement shall not affect the obligations of any other Lender under this Agreement. No Lender shall be responsible for the obligations of any other Lender under this Agreement.*

(2) *The rights of each Lender under or in connection with this Agreement shall be separate and independent rights and any debt arising under this Agreement to a Lender from the Borrower shall be a separate and independent debt. The Borrower shall not give priority to one Lender over the other Lenders.*

(3) *The Lenders and the Borrower shall not assign or otherwise transfer any of their rights or obligations (or, with respect to the Lenders, enter into any arrangement with any third party with a view to transferring the whole or part of their exposure to the Borrower or the whole or part of the risks and*

rewards arising from their participation in this Agreement) without the prior written consent of all Lenders.

(4) *Notwithstanding Article 2(3) above, a Lender shall be entitled to assign and/or transfer:*

(a) *part (but not the whole) of its rights and obligations under a Loan in the context of a re-allocation of the Lenders' Participations (as defined in Article 3(6) below) between themselves as contemplated in Article 6 of the Intercreditor Agreement; or*

(b) *any of its rights and obligations in respect of a Loan to the Member State which is its guarantor.*

(5) *Any such assignment and transfer shall comply with the terms of Article 13.*

(6) *Upon the assignment and transfer of any of its rights or obligations, the Lenders concerned shall promptly notify the Borrower in writing of such assignment and transfer.*

3. *DRAWDOWN, NET DISBURSEMENT AMOUNT AND CONDITIONS PRECEDENT*

(1) *Subject to the terms and conditions of this Agreement and of the MoU, the Borrower may, after consultation with the Commission, request a disbursement to be made under this Agreement (each such disbursement made or to be made under the Facility or the principal amount thereof outstanding for the time being is hereinafter referred to as a "Loan") by delivery to the Commission of a duly completed request for funds in the form of Annex 2, irrevocably accepting the main terms thereby indicated pursuant to Article 3(3) (hereinafter a "Request for Funds").*

(2) *For the purposes of this Agreement, "Business Day" means a day on which the TARGET2 payment system is open for business. "Availability Period" means the period commencing on the date of entry into force of this Agreement and ending on (and including) the date falling on the third anniversary of the date of this Agreement.*

(3) *A Request for Funds is irrevocable and will not be regarded as having been duly completed unless it at least specifies:*

(a) *the proposed date of disbursement of the requested Loan (the "**Disbursement Date**") which must be (i) a Business Day, and (ii) a day (other than a Saturday or Sunday) when banks are open for general business in the capital city of each Lender, and (iii) a day which falls during the Availability Period, and (iv) a day not earlier than the fifteenth Business Day after the date of the Request for Funds; notwithstanding the foregoing, point (iv) does not apply to the first Loan;*

(b) *the amount of the Loan requested which must be a minimum amount of Euro one billion;*

(c) *the requested grace period for such Loan, if any, during which no repayments of principal have to be made by the Borrower and which may not exceed a period of three years from the Disbursement Date (the "**Grace Period**");*

(d) *the term of the requested Loan which may not exceed five years from the Disbursement Date of the Loan and the last day of which must be an Interest Payment Date (as defined below) (the "**Term**"); and*

(e) *the amortisation schedule, which shall provide that the principal repayments shall be made in quarterly payments of equal principal amount by the Borrower on each Interest Payment Date (as defined below) starting on the first Interest Payment Date following the expiry of the Availability Period or (if later) the end of the relevant Grace Period (if any) and ending on the Interest Payment Date falling at the end of that Loan's Term.*

(4) *Following a Request for Funds in respect of the first Loan, the Lenders' obligation to pay the amount of the Net Participation (as defined in Article 3(6) below) to the Borrower with respect to the first Loan shall be subject to:*

(a) *the Commission having received a legal opinion satisfactory to the Lenders given by the Legal Advisor to the State at the Ministry of Justice, Transparency and Human Rights and the Legal Advisor to the State at the Ministry of Finance in the form set out in Annex 4. Such legal opinion shall be dated not later than the date of the Request for Funds. The Borrower undertakes to inform the Lenders immediately if, between the date of the legal opinion and the Disbursement Date, any event occurs that would render incorrect any statement made in the legal opinion;*

(b) *the Commission having received from the Minister of Finance of the Borrower an official document indicating the persons authorised to sign the Requests for Funds (and thus validly commit the Borrower) and containing the specimen signatures of these persons;*

(c) *the signature of the MoU;*

(d) *the Commission having received, not later than on the Disbursement Date relating to such Loan, Commitment Confirmations of at least five Lenders comprising at least 2/3 of the Total Commitment (a "Critical Mass of Lenders");*

(e) *the Commission having received confirmation from the Lenders (i) that they are satisfied that the conditions to drawdown under this Agreement are satisfied, and (ii) of the terms on which they are willing to make a Loan to the Borrower;*

(f) *no material adverse change having occurred since the date of this Agreement such as would, in the opinion of the Lenders, after consultation with the Borrower, be likely to prejudice materially the ability of the Borrower to fulfil its payment obligations under this Agreement, i.e. to service the Loan to be funded and to repay it; and*

(g) *no Event of Default having occurred which is continuing.*

(5) *Following receipt of a Request for Funds in respect of any subsequent Loan, the Lenders' obligation to transfer the Net Participation, as defined in Article 3(6) below, of any such subsequent Loan to the Borrower shall be subject to:*

the Borrower confirming that no event has occurred that would render incorrect any statement made in the legal opinion received by the Lenders under Article 3(4)(a);

(a) *the Borrower confirming that no event has occurred that would render incorrect any statement made in the legal opinion received by the Lenders under Article 3(4)(a);*

(b) *the remaining in place of Commitments from a Critical Mass of Lenders;*

(c) *the Commission having received confirmation from the Euro Area Member States (other than Greece) that they are satisfied with the compliance by the Borrower with the terms of the MoU and the conditions laid down in the Council decision on the basis of Articles 126(9) and 136 TFEU; and*

(d) *the conditions referred to in Paragraphs (e), (f), and (g) of Article 3(4) above being satisfied.*

*If the conditions in Article 3(4) (in the case of the first Loan) or Article 3(5) above (in the case of subsequent Loans) are satisfied, the Commission shall notify the Borrower by way of a written notice in the form of Annex 3 setting out the amount and the detailed terms (which may or may not differ to those specified in the corresponding Request for Funds) of the Loan that the Lenders are willing to extend to the Borrower under this Agreement (hereinafter the "**Acceptance Notice**"). The Borrower and the Committed Lenders, as defined in Article 3(6) below, shall irrevocably be bound by the terms of the*

Acceptance Notice, unless the terms of the Loan differ from those specified in the Request for Funds, in which case the Borrower and the Committed Lenders shall only be bound by the terms of the Acceptance Notice if the Borrower notifies the Commission in writing of its consent thereto. In the event of the Borrower's refusal to accept such terms, the Request for Funds and the related Acceptance Notice shall both be cancelled.

(6) *If the conditions set out in this Agreement (and in particular Articles 3(4) and 3(5) above) have been met, each Lender who has delivered to the Commission a Commitment Confirmation (each such Lender being a "Committed Lender") shall, not later than on the relevant Disbursement Date, transfer to the credit of the Lenders' Account its participation in each Loan (the "Participation") (reduced, for the sole purposes of determining and providing for the payment of the Net Disbursement Amount (as defined in Paragraph (8) below), by the amount of the Service Fee (as defined in Article 5(2) belo—w) calculated by reference to the amount of such Participation pursuant to Article 5(2), the "Net Participation"), as such Participation shall be determined pursuant to the provisions of the Intercreditor Agreement.*

For the avoidance of doubt, for all purposes other than for determining and providing for the payment of the Net Disbursement Amount (e.g. for reporting purposes, voting, etc.), only the Participation (not the Net Participation) of the Lenders will be taken into account.

(7) *A Committed Lender shall not be required to participate in a Loan if the circumstances in Article 5(7) apply and notwithstanding any measures proposed by the Euro Working Group such Committed Lender can not cover the funding cost of its Commitments under this Agreement.*

(8) *Provided the ECB shall have received in the Lenders' Account before 11:00 a.m. (Brussels time) on the Disbursement Date in relation to a Loan the aggregate of the Net Participations of all Committed Lenders in such Loan (hereinafter referred to as the "Net Disbursement Amount"), the Lenders shall procure that the Commission will instruct the ECB to transfer the Net Disbursement Amount on the Disbursement Date to the euro account of the Borrower's Agent (SWIFT BIC: BNGRGRAA, IBAN: GR0301000230000000000200659) (Ref.: "Euro Area Stability Support to Greece"), or to such other euro-account as the Borrower's Agent shall advise in writing to the Commission and the ECB with a copy addressed to the Borrower at the latest two Business Days prior to the Disbursement Date.*

If, on the Disbursement Date, the Lenders' Account has not been credited with the full amount of all the Net Participations of all of the Committed Lenders in respect of such Loan, then:

(a) *where the aggregate of the Net Participations effectively received in relation to such Loan represents at least 90% of the aggregate Net Participations of all of the Committed Lenders in relation to such Loan, then, provided that the Borrower consents, the Net Disbursement Amount will be reduced so as to be equal to the aggregate of the Net Participations effectively received by the ECB and the Lenders shall procure that the Commission shall then instruct the ECB to transfer the Net Disbursement Amount as so reduced to the Borrower in the manner specified above. Conversely, if the Borrower refuses to receive such lower amount in respect of the Loan the Commission shall not instruct the ECB to transfer such funds (which shall forthwith be returned to the Committed Lenders concerned with no delay) and the Request for Funds and the related Acceptance Notice shall be cancelled automatically. If any part of the shortfall in Net Participations is in fact received within 2 Business Days of the scheduled Disbursement Date then the Commission shall consult with the Borrower as to whether it wishes to receive a remittance of such funds and in such event the parties shall make such adjustments to the terms of the relevant portion of the Loan as are necessary to take into account the late receipt of such funds. Any funds received outside this period of 2 Business Days shall be returned by the Commission to the relevant Lender(s); or*

(b) *where the aggregate of the Net Participations effectively received in relation to such Loan is lower than 90% of the aggregate Net Participations of all the Committed Lenders in respect of such Loan then the Commission shall not instruct the ECB to transfer to the Borrower the corresponding funds (and the same will remain credited to the Lenders' Account) until the Commission has received further instruction from the Lenders to do so and the Borrower has notified the Commission in writing of its consent to receive the funds. In the event that:*

(i) *either the Lenders have instructed the Commission not to further proceed with the disbursement; or the Lenders have failed to give instructions to the Commission within two Business Days following the Disbursement Date, or*

(ii) *either the Borrower has notified the Commission of its refusal to receive the lower sum or the Borrower has not notified the Commission of its consent to receive the funds within two Bussiness Days following the Disbursement Date,*

the Commission shall then instruct the ECB to forthwith return the Net Participations credited to the Lenders Account to the Committed Lenders concerned and the Request for Funds and the related Acceptance Notice shall be cancelled; and

(c) *any adjustments under Points (a) and (b) shall be without prejudice to the Borrower's rights against the Committed Lenders which failed to fund their portion of a Loan.*

(9) *The disbursement of a Loan shall under no circumstances commit any of the parties to proceed with the lending and borrowing of any further Loan.*

(10) *The Borrower's right to request Loans under this Agreement expires at the end of the Availability Period, following which any undisbursed amount of the Facility shall be considered as immediately cancelled.*

4. *REPRESENTATIONS, WARRANTIES AND UNDERTAKINGS*

(1) *Representations*

The Borrower represents and warrants to the Lenders on the date of this Agreement and on each Interest Payment Date that:

(a) *each Loan shall constitute an unsecured, direct, unconditional, unsubordinated and general obligation of the Borrower and will rank at least pari passu with all other present and future unsecured and unsubordinated loans and obligations of the Borrower arising from its present or future Relevant Indebtedness as defined in Article 8(1)(g) below; and*

(b) *the legal opinion of the Legal Advisor to the State at the Ministry of Justice, Transparency and Human Rights and the Legal Advisor to the State at the Ministry of Finance provided in accordance with Article 3(4)(a) is accurate and correct.*

The Borrower confirms having received a copy of the Intercreditor Agreement and acknowledges that it is aware of and understands its terms. In the event of any modification to the Intercreditor Agreement the Lenders shall supply the revised terms thereof to the Borrower for its acknowledgement.

(2) *Undertakings*

The Borrower undertakes, until such time as all principal under this Agreement has been fully reimbursed and all interest and additional amounts, if any, due under this Agreement have been fully paid:

(a) *with the exception of those encumbrances enumerated in paragraphs (1) to (6) below:*

(i) *not to secure by mortgage, pledge or any other encumbrance upon its own assets or revenues any present or future Relevant Indebtedness and any guarantee or indemnity given in respect thereof, unless the Loans at the same time shares pari passu and pro rata in such security; and*

(ii) *not to grant to any other creditor or holder of its sovereign debt any priority over the Lenders.*

The grant of the following encumbrances shall not constitute a breach of this Article:

(1) *encumbrances upon any property incurred to secure the purchase price of such property and any renewal or extension of any such encumbrance which is limited to the original property covered thereby and which secures any renewal or extension of the original secured financing; and*

(2) *encumbrances on commercial goods arising in the course of ordinary commercial transactions (and expiring at the latest within one year thereafter) to finance the import or export of such goods into or from the country of the Borrower; and*

(3) *encumbrances securing or providing for the payment of Relevant Indebtedness incurred exclusively in order to provide financing for a specific investment project, provided that the properties to which any such encumbrances apply are properties which are the subject of such project financing, or which are revenues or claims which arise from the project; and*

(4) *any other encumbrances in existence on the date of the signing of this Agreement, provided that such encumbrances remain confined to the properties presently affected thereby and properties which become affected by such encumbrances under contracts in effect on the date of the signing of this Agreement and provided further that such encumbrances secure or provide for the payment of only those obligations so secured or provided for on the date hereof or any refinancing of such obligations; and*

(5) *all other statutory encumbrances and privileges which operate solely by virtue of law and which cannot be reasonably avoided by the Borrower; and*

(6) *encumbrances granted or consented to in relation to an securitization of State assets where the transaction involves (a) (i) the sale, transfer or assignment of State assets to a special purpose company or similar entity or (ii) the grant by the Borrower of security over State assets, where (b) such state assets are used in either case to back or to secure a public issuance of bonds by such special purpose company or similar entity and where the recourse of investors in respect of such bonds is limited to the revenue generated by or the realizable value of such State assets and (c) provided that the terms of such securitization and the use of the proceeds of such transaction are consistent of the policy conditions of the MoU and accounted for in national accounts in line with ESA 95 principles and Eurostat guidance on securitisations operations undertaken by governments.*

As used in this Article, "financing for a specific investment project" means any financing of the acquisition, construction or development of any properties in connection with a project if the providing entity for such financing expressly agrees to look to the properties financed and the revenues to be generated by the operation of, or loss or damage to, such properties as the principal source of repayment for the moneys advanced.

(b) *to utilise the Net Disbursement Amounts consistently with the Council decision on the basis of Articles 126(9) and 136 TFEU as in force at the relevant time and in accordance with the MoU.*

(c) *to only repay the Loans advanced under this Agreement in accordance with the terms of this Agreement on a pro rata and pari passu basis to each Committed Lender via payments to the Lenders' Account maintained at the ECB and not to deal on a bilateral or preferential basis with individual Lenders in respect of the Loans made under this Agreement;*

(d) *to obtain and maintain in full force and effect all authorisations necessary for it to comply with its obligations under this Agreement; and*

(e) *to comply in all respects with applicable laws which might affect its ability to perform this Agreement.*

5. *INTEREST, COSTS AND EXPENSES*

(1) *Subject to Article 5(7) below, in respect of each outstanding Loan, the Borrower shall pay on each Interest Payment Date interest having accrued on such Loan during the Interest Period ending on such date, at a rate per annum (the "Interest Rate") equal to the aggregate of:*

(a) *the then applicable three-month EURIBOR determined in accordance with Annex 5, or (i) in respect of periods which are equal to or exceed one week and are less than three months, the relevant EURIBOR rate determined (using the EURIBOR rate for the next longest period for which such rates are available) and (ii) in respect of periods of less than one week the applicable EONIA rate for each day with daily capitalisation; and*

(b) *a margin equal to:*

(i) *300 basis points, in respect of any Interest Periods commencing on or after the Disbursement Date of a Loan up to and including the Interest Period ending on the third anniversary of such Disbursement Date or, if this is not an Interest Payment Date, the first Interest Payment Date after the third anniversary of such Disbursement Date; and*

(ii) *400 basis points in respect of any subsequent Interest Periods.*

For the purposes of this Agreement:

***"Interest Payment Date"** means, in relation to any Loan, any and each of 15 March, 15 June, 15 September and 15 December in each year and the final date of repayment of such Loan if it becomes repayable prior to the end of its scheduled Term; and*

***"Interest Period"** means, in relation to a Loan, each three month period commencing on (and including) an Interest Payment Date and ending on (but excluding) the next Interest Payment Date, except for (i) the first Interest Period in respect of such Loan which shall commence on (and include) the Disbursement Date thereof and end on (but exclude) the first Interest Payment Date following such Disbursement Date and (ii) any broken interest period in the event that a Loan is accelerated or otherwise repaid on a date other than the last day of its scheduled Term.*

(2) *In order to cover operational costs, the Borrower shall pay to each of the Committed Lenders a non-refundable up-front service fee equal to 50 basis points (the "Service Fee") to be calculated on the principal amount of the Participation of each such Committed Lender in each Loan which shall be deducted from each Loan to be disbursed to the Borrower. In the event of any re-allocation of Participations amongst Lenders such Service Fee shall be re-allocated between the Lenders participating in the relevant Loan in accordance with the terms of the Intercreditor Agreement.*

(3) *The Commission shall inform the Borrower and the Lenders two Business Days before the first day of the relevant Interest Period of the details of the interest calculation for such Interest Period. The EURIBOR setting and the day count convention shall be determined by the Commission in accordance with Annex 5.*

(4) *The Borrower shall pay the amount of interest due to the Lenders Account referred to in Article 7(3) on the relevant Interest Payment Date and under the conditions as notified to it by the Commission. Interest on a Loan shall accrue from the date on which the respective amounts are transferred to the account at the Borrower's Agent until the date on which the respective repayment are irrevocably credited to the Lenders Account.*

(5) *If the Borrower fails to pay any sum payable under this Agreement on its due date, the Borrower shall pay in addition default interest on such sum (or, as the case may be, the amount thereof for the time*

being due and unpaid) to the Lenders from the due date to the date of actual payment in full, calculated by reference to successive interest periods (each of such length as the Lenders may from time to time select, the first period beginning on the relevant due date and, wherever possible, the length of such period shall be that of one week) at a rate per annum on such overdue amount which is 200 basis points over the Interest Rate which would have been payable if the overdue amount had, during the period of non-payment, constituted a Loan.

So long as the failure to pay continues, such rate shall be refixed in accordance with the provisions of this Article 5(5) on the last day of each such interest period and unpaid interest under this Article concerning previous interest periods shall be added to the amount of interest due at the end of each such interest period. The default interest shall be due and payable from time to time on demand by the Commission.

(6) *The Borrower undertakes to pay to the Lenders or the Commission all additional interest and all costs and expenses, including legal fees, incurred and payable by the Lenders or the Commission as a result of a breach of any obligation under this Agreement by the Borrower.*

(7) *If a Lender encounters higher funding costs than those applicable to the Borrower under this Agreement such Lender may inform the other Lenders and the Commission (through the Euro Working Group Chairman) and the Euro Working Group shall take a decision in line with the Intercreditor Agreement and inform the Borrower accordingly.*

6. *REPAYMENT, EARLY REPAYMENT, MANDATORY REPAYMENT AND CANCELLATION*

(1) *The Borrower shall repay the principal amount of each Loan on the date(s) (each of which must be an Interest Payment Date) and under the conditions notified to it by the Commission in the relevant Acceptance Notice and related documentation.*

(2) *The Borrower may, if it gives the Lenders not less than one month's prior written notice and subject to the agreement by the Lenders, prepay the whole or part of any Loan (provided that any prepayment in part shall be of not less than Euro one billion) on an Interest Payment Date.*

(3) *If more than one Loan is outstanding, the prepayment shall be applied pari passu amongst all Loans regardless of their date of maturity, unless the reallocation in accordance with Article 6 of the Intercreditor Agreement has been executed and completed, in which case the Borrower may select which Loan or Loans any prepayment shall be applied against.*

(4) *The following restrictions shall apply:*

(a) *the notice of prepayment shall be irrevocable and shall specify the amount and the date upon which the prepayment is to be made, which must be an Interest Payment Date; and*

(b) *any prepayment shall be made together with accrued interest on the amount prepaid and subject to the Borrower indemnifying Lenders in respect of any costs, expenses or fees they suffer (including broken funding and broken hedging costs) as a consequence of such prepayment. Accrued interest shall be payable at the Interest Rate determined for the relevant period; and*

(c) *any partial prepayment shall be applied (after paying any accrued interest, fees or other amounts due in respect of the amount being prepaid) to the scheduled capital repayment amounts pro rata; and*

(d) *any amount which is voluntarily prepaid cannot be re-borrowed.*

(5) *The Borrower may cancel, on not less than two weeks' prior written notice, the whole or any part (being a minimum of Euro one hundred million) of the undrawn amount of the Facility.*

(6) *If:*

(e) *the Court of Justice of the European Union in a final decision decides that this Agreement or the making of the Loans violates European Union law and such violation cannot be remedied then the Facility as a whole (i.e. the Commitments of all of the Lenders hereunder) shall immediately and irrevocably be cancelled but this shall not give rise to an acceleration of any outstanding Loans; or*

(f) *a constitutional court of a Lender or other court with competent jurisdiction in relation to such Lender decides in a final judgment that this Agreement or a Loan is violating the constitution of the Lender and such violation cannot be remedied, then the Commitment of the relevant Lender only shall immediately and irrevocably be cancelled but this shall not give rise to an acceleration of any outstanding Loans.*

(7) *If financing granted to the Borrower under the IMF Stand-by Arrangement is repaid in advance in whole or in part on a voluntary or mandatory basis a proportional amount of the Loans made under this Agreement shall, unless the Lenders acting unanimously agree otherwise, become immediately due and repayable in an amount based on the initial ratio between the Loans made under this Agreement to financing made under the IMF Stand-by Arrangement.*

7. *PAYMENTS*

(1) *All payments to be made by the Borrower shall be paid without set-off or counterclaim, free and clear of, and without deduction for and on account of, any taxes, commissions and any other charges for the entire term of this Agreement.*

(2) *The Borrower declares that all payments and transfers under this Agreement, as well as the Agreement itself, are not subject to any tax or any other impost in the country of the Borrower and shall not be so subject for the entire term of this Agreement. If nevertheless the Borrower is required by law to make any such deductions, the Borrower shall pay the requisite additional amounts so that the Lenders receive in full the amounts specified by this Agreement.*

(3) *All payments by the Borrower shall be made via SWIFT message MT202 in TARGET2 on the value date before 11:00 a.m. (Brussels time) to the TARGET2 participant SWIFT-BIC: ECBFDEFFBAC, in favour of account number 4050992001, account name "Pooled bilateral loans Lenders" with ref.: "Euro Area Stability Support to Greece", or to such other account as the Commission may instruct the Borrower and the Borrower's Agent by written notice at least two Business Days before the relevant Interest Payment Date (the "Lenders' Account").*

(4) *The Commission shall on behalf of the Lenders advise the Borrower and the Borrower's Agent at least fifteen calendar days prior to each Interest Payment Date of the amount of principal and interest due and payable on such date and of the details (interest rate, interest period) on which the interest calculation is based.*

(5) *The Borrower shall send to the Lenders and ECB a copy of its payment instructions sent to the Borrower's Agent at least two Business Days prior to the relevant Interest Payment Date.*

(6) *If the Borrower shall pay an amount in relation to any of the Loans which is less than the total amount due and payable under this Agreement, the Borrower hereby waives any rights it may have to make any appropriation of the amount so paid as to the amounts due.*

The amount so paid under a Loan shall be applied in or towards satisfaction of payments due under such Loan in the following sequence:

(a) *first against any fees, expenses and indemnities;*

(b) *second against any interest for late payments as determined under Article 5(5);*

(c) *third against interest; and*

(d) *fourth against principal,*

provided that these amounts are due or overdue for payment on that date.

(7) *Any calculation and determination by the Commission under this Agreement:*

(a) shall be made in a commercially reasonable manner; and

(b) *shall, absent manifest error, be binding on all Lenders and the Borrower.*

(8) *Where a payment falls to be made under this Agreement on a day which is not a Business Day, such payment will instead be made on the immediately preceding Business Day.*

8. *EVENTS OF DEFAULT*

(1) *The Lenders, may, by written notice (served by the Commission acting on their behalf) (and acting in accordance with the terms of the Intercreditor Agreement) to the Borrower cancel the Facility and/or declare the outstanding principal amount of the Loans to be immediately due and payable, together with accrued interest, if:*

(a) *the Borrower shall fail to pay any amount of principal or interest under any Loan or any other amounts due under this Agreement on its due date, whether in whole or in part, in the manner as agreed in this Agreement, in respect of any Loan and such default shall continue for a period of thirty calendar days (in relation to a failure to pay any interest amount or any other amount with the exception of principal) or seven calendar days (in relation to a failure to pay any principal amount) after written notice thereof shall have been given to the Borrower by the Lenders; or*

(b) *the Borrower or its agencies shall default in the performance of any obligation under this Agreement (including the obligation set out in Article 1(3) to apply Loans in accordance with the terms of the MoU but excluding any other obligations under the MoU), and such default shall continue for a period of one month after written notice thereof shall have been given to the Borrower by the Lenders; or*

(c) *the Borrower's obligations under this Agreement are declared by a court of competent jurisdiction not to be binding on or enforceable against the Borrower or are declared by a court of competent jurisdiction to be illegal; or*

(d) *(i) it has been established that in relation to this Agreement or the MoU, the Borrower or the Borrower's Agent has engaged in any illegal activity, or any other actions detrimental to the Lenders or (ii) any representation or warranty made by the Borrower or the Borrower's Agent under this Agreement is inaccurate, untrue or misleading; or*

(e) *Relevant Indebtedness of the Borrower having an aggregate principal amount in excess of Euro 250 million is the subject of a declaration of default as defined in any instrument governing or evidencing such indebtedness and as a result of such a declaration of default there is an acceleration of such indebtedness or a de facto moratorium on payments; or*

(f) *the Borrower does not make timely repurchases from the IMF in relation to the IMF Stand-by Arrangement; or*

(g) *the Borrower does not generally pay its Relevant Indebtedness as it falls due or declares or imposes a moratorium on the payment of the Relevant Indebtedness of the Borrower or of Relevant Indebtedness assumed or guaranteed by it.*

For the purposes of the foregoing, ***"Relevant Indebtedness"*** *means External Indebtedness and Public Internal Indebtedness.*

*"**External Indebtedness**" means all indebtedness of the Borrower or the Borrower's Agent (i) which is denominated or payable in a currency other than the lawful currency of the Borrower and (ii) which was not originally incurred or assumed under an agreement or instrument made with or issued to creditors substantially all of who are residents of Greece or entities having their head office or principal place of business with the territory of Greece.*

*"**Public Internal Indebtedness**" means all indebtedness of the Borrower which (i) is denominated in the lawful currency of the Borrower, (ii) is in the form of or represented by bonds, notes or other securities or any guarantee thereof and (iii) is or may be quoted or listed or ordinarily purchased and sold on any stock exchange, automated trading system, over the counter or other securities market.*

(2) *The Lenders may, but are not obliged to, exercise their rights under this Article and may also exercise them only in part without prejudice to the future exercise of such rights. In relation to such rights they shall act in accordance with the terms of the Intercreditor Agreement.*

(3) *The Borrower shall reimburse all costs, expenses, fees and loss of interest incurred and payable by the Lenders or the Commission as a consequence of an early repayment of any Loan under this Article. The loss of interest is the difference (if it is a positive amount) between the interest rate of the Loan and the interest received from the reinvestment of the amounts repaid early, for the period between the date of the early repayment and the date on which the Loan matures or can be terminated by the Lenders. In addition, the Borrower shall pay default interest, as provided in Article 5(5) above, which shall accrue as from the date when the outstanding principal amount of the Loan has been declared immediately due and payable, until the date of actual payment in full.*

9. *INFORMATION UNDERTAKINGS*

(1) *The Borrower shall supply to the Commission for distribution to the Lenders:*

(a) *all documents dispatched by the Borrower to its creditors generally at the same time as they are dispatched;*

(b) *a regular report on the progress made in fulfilment of the terms of the MoU;*

(c) *promptly, such further information regarding its fiscal and economic condition, as any Lender or the Commission may reasonably request; and*

(d) *any information pertaining to any event which could reasonably be expected to cause an Event of Default to occur (and the steps, if any, being taken to remedy it).*

(2) *The Borrower undertakes to inform the Lenders and the Commission promptly if any event occurs that would render incorrect any statement made in the Borrower's legal opinion referred to in Article 3(4) above.*

10. *UNDERTAKINGS RELATING TO INSPECTIONS, FRAUD PREVENTION AND AUDITS*

The Lenders (in accordance with the instructions of the Euro Area Member States (other than Greece)) shall be entitled to monitor the Borrower's compliance with its obligations hereunder and under the MoU and for this purpose the Lenders will be represented by the Commission and in this connection:

(a) *The Commission shall have the right to send its own agents or duly authorised representatives to carry out any technical or financial controls or audits that the Commission considers necessary in relation to the management of the Loan.*

(b) *The Borrower and the Borrower's Agent shall supply relevant information and documents which may be requested for the purpose of such assessments, controls or audits, and take all suitable measures to facilitate the work of persons instructed to carry them out. The Borrower* *and the Borrower's Agent undertake to give to the persons referred to in sub-paragraph (a) access to sites and premises where the relevant information and documents are kept.*

(c) *The Borrower and the Borrower's Agent shall ensure investigation and satisfactory treatment of any suspected and actual cases of fraud, corruption or any other illegal activity in relation to the management of the stability support. All such cases as well as measures related thereto taken by national competent authorities shall be reported to the Commission without delay.*

11. *NOTICES*

(1) *All notices in relation to this Agreement shall be validly given if in writing and sent to the addressees listed in Annex 7. Each party will update addressees and notify it to the other parties hereto upon the same being amended from time to time.*

(2) *All notices shall be given by registered mail. In case of urgency, they can be given by fax, SWIFT message or by hand-delivered letter to the addressees above mentioned and confirmed by registered mail without undue delay. Notices become effective with the actual receipt of the fax, the SWIFT message or the letter.*

(3) *All documents, information and materials to be furnished under this Agreement shall be in the English language.*

(4) *Each party to this Agreement will notify to the others the list and specimen signatures of the persons authorised to act on its behalf under this Agreement, promptly upon its signature of this Agreement. Likewise, each party will update such list and notify it to the other parties hereto upon the same being amended from time to time.*

12. *MISCELLANEOUS*

(1) *If any one or more of the provisions contained in this Agreement should be or become fully or in part invalid, illegal or unenforceable in any respect under any applicable law, the validity, legality and enforceability of the remaining provisions contained in this Agreement shall not in any way be affected or impaired thereby. Provisions which are fully or in part invalid, illegal or unenforceable shall be interpreted and thus implemented according to the spirit and purpose of this Agreement.*

(2) *The Preamble and the Annexes to this Agreement form an integral part of this Agreement.*

(3) *A person who is not party to this Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or benefit from any term of this Agreement.*

(4) *In the event that the Commission has any queries or questions regarding amounts which may be due or unsettled between the Lenders it may refer such issues to the Euro Area Working Group with a view to achieving an amicable resolution of issues between Lenders (acting in accordance with the directions of the Euro Area Member States (other than Greece).*

13. *ASSIGNMENT AND TRANSFER*

(1) *Any assignment and transfer of a Lender's rights and obligations which is permitted under Article 2 shall take effect as follows: the former Lender, the new Lender and the other Lenders shall enter into an assignment agreement in the form of Annex 6 (an "Assignment Agreement") and on the date when this is executed by all of these parties and subject to payment of the relevant amounts due in respect of such assignment and transfer: (i) the existing Lender shall assign absolutely its rights in respect of the Loans and the Agreement expressed to be assigned under the Assignment Agreement; (ii) the existing Lender shall be released by the Borrower and the other Lenders from its obligations under this Agreement in respect of the portion of the Loans being assigned and expressed to be the subject of the Assignment Agreement (the "Relevant Obligations"); and (iii) the new Lender shall assume to the Borrower and the other Lenders obligations equivalent to the Relevant Obligations and (if it is not already a Lender) shall become a party to this Agreement as a Lender. A copy of each Assignment Agreement shall be*

promptly supplied to the Commission and the Lenders shall notify the Borrower promptly of each such Assignment Agreement and the assignment effected thereunder.

(2) *Notwithstanding Article 13(1) above, any assignment and transfer of a Lender's rights and obligations under Article 2(4)(b) shall take effect without any need for the prior written consent of all Lenders but the former Lender will promptly notify the other Lenders and the Commission of such assignment and/or transfer.*

14. *GOVERNING LAW AND JURISDICTION*

(1) *This Agreement and any non-contractual obligations arising out of or in connection with it shall be governed by and shall be construed in accordance with English law.*

(2) *The parties undertake to submit any dispute which may arise relating to the legality, validity, interpretation or performance of this Agreement to the exclusive jurisdiction of the Court of Justice of the European Union.*

(3) *Judgements of the Court of Justice of the European Union shall be fully binding on and enforceable by the parties.*

(4) *The Lenders may enforce any judgement obtained from the Court of Justice of the European Union, or other rights against the Borrower in the courts of the country of the Borrower.*

(5) *The Borrower hereby irrevocably and unconditionally waives all immunity to which it is or may become entitled, in respect of itself or its assets, from legal proceedings in relation to this Agreement, including, without limitation, immunity from suit, judgement or other order, from attachment, arrest or injunction prior to judgement, and from execution and enforcement against its assets to the extent not prohibited by mandatory law.*

15. *ENTRY INTO FORCE*

(1) *Following its signature by all parties, this Agreement shall enter into force on the date on which:*

(a) *the Lenders have received the official notification in the form of the Legal Opinion by the Legal Advisor to the State at the Ministry of Justice, Transparency and Human Rights and the Legal Advisor to the State at the Ministry of Finance in the form of Annex 4 that this Agreement has been duly executed on behalf of the Borrower and all of the Borrower's obligations in relation to this Agreement are valid, binding and enforceable in accordance with their terms and nothing further is required to give effect to the same; and*

(b) *the Commission has received Commitment Confirmations from a Critical Mass of Lenders,*

on which date this Agreement shall enter into effect and be binding on and between the Borrower and those Lenders which have provided such Commitment Confirmations.

This Agreement shall enter into force and become binding upon and between the Borrower, the Committed Lenders and each remaining Lender with effect from each date when the Commission receives the Commitment Confirmation of such Lender.

*A "**Commitment Confirmation**" means a written confirmation (in accordance with Annex 4 to the Intercreditor Agreement) by a Lender to the Commission that under its national laws it is duly authorised to participate as a Lender under this Agreement.*

(2) *It is acknowledged and agreed that the Commitment Confirmation of a Lender may be of provisional application in accordance with the national laws and legislation of the relevant Member State. If under applicable national laws the provisional authorisation is revoked, terminated or expires then the Commitment of the relevant Lender shall be revoked and cancelled with respect to future disbursements*

of Loans but this shall not give rise to any acceleration of any Loan already disbursed by such Lender under this Agreement.

16. *EXECUTION OF THE AGREEMENT*

This Agreement may be executed in any number of counterparts signed by one or more of the parties. The counterparts each form an integral part of the original Agreement and the signature of the counterparts shall have the same effect as if the signatures on the counterparts were on a single copy of the Agreement.

The Commission shall promptly after the signature of this Agreement supply conformed copies of the Agreement to each of the parties.

17. *ANNEXES*

The Annexes to this Agreement shall constitute an integral part hereof:

1. *List of the Lenders;*
2. *Form of Request for Funds;*
3. *Form of Acceptance Notice;*
4. *Form of Legal Opinion;*
5. *EURIBOR Setting Rules;*
6. *Form of Assignment Agreement; and*
7. *List of Contacts.*

Done in Brussels on 8 May 2010 and in Athens 8 May 2010.

HELLENIC REPUBLIC
as Borrower
Represented by
-signed-
George Papaconstantinou
Minister of Finance

The following Euro Area Member States

KINGDOM OF BELGIUM, IRELAND, KINGDOM OF SPAIN, FRENCH REPUBLIC, ITALIAN REPUBLIC, REPUBLIC OF CYPRUS, GRAND DUCHY OF LUXEMBOURG, REPUBLIC OF MALTA, KINGDOM OF THE NETHERLANDS, REPUBLIC OF AUSTRIA, PORTUGUESE REPUBLIC, REPUBLIC OF SLOVENIA, SLOVAK REPUBLIC and REPUBLIC OF FINLAND
as Lenders

represented by:

EUROPEAN COMMISSION
Represented by
-signed-
Olli Rehn

BANK OF GREECE
as the Borrower's Agent
Represented by
-signed-
George Provopoulos
Governor of the Bank of Greece

KfW
acting in the public interest, subject to the instructions of and with the benefit of the guarantee of the ***Federal Republic of Germany***
as Lender
Represented by
-signed-
Dr. Günther Bräunig
Member of the Managing Board
-signed-
Dr. Frank Czichowski
Treasurer

ANNEX 1
LIST OF THE LENDERS

	Commitment EUR
Kingdom of Belgium	*2.860.942.462,10*
Ireland	*1.310.046.500,93*
Kingdom of Spain	*9.794.387.452,71*
French Republic	*16.773.596.199,72*
Italian Republic	*14.739.467.996,33*
Republic of Cyprus	*161.470.573,49*
Grand Duchy of Luxembourg	*206.054.851,64*
Republic of Malta	*74.543.025,89*
Kingdom of the Netherlands	*4.703.995.187,73*
Republic of Austria	*2.290.192.933,16*
Portuguese Republic	*2.064.558.742,44*
Republic of Slovenia	*387.812.451,16*
Slovak Republic	*817.850.223,95*
Republic of Finland	*1.478.947.787,45*
KfW acting in the public interest, subject to the instructions of and with the benefit of the guarantee of the Federal Republic of Germany	*22.336.133.611,30*

ANNEX 2
FORM OF REQUEST FOR FUNDS

By fax followed by registered mail:

European Commission
[Insert address]
Fax: [•]

Copy to the European Central Bank
[Insert address]
Fax: [•]

Copy to the Bank of Greece
[Insert address]
Fax: [•]

Subject: ***Euro Area Stability Support***
Request for Funds for the [•] Loan

Dear Sirs,

*We refer to the Loan Facility Agreement made between the Euro Area Member States (other than the Federal Republic of Germany and the Hellenic Republic) and KfW as Lenders and the Hellenic Republic as Borrower signed on [•] (the "**Agreement**"). Terms defined in the Agreement shall have the same meaning herein.*

1. *We hereby irrevocably request that a Loan be disbursed under and in accordance with the Agreement upon the following terms:*

   (a) *Principal amount of the Loan to be EUR [___].*

   (b) *The Net Disbursement Amount of the Loan to be EUR [___].*

   (c) *The Disbursement Date for the Loan shall be: [___].*

   (d) *The Loan shall have [no Grace Period] [a Grace Period of [___].*

   (e) *The Term of the Loan shall be [___] years.*

   (f) *The scheduled principal repayments of the Loan shall be:*

Date (years)	***Scheduled Principal Repayments (€)***
0	*Disbursement*

2. *We acknowledge and agree that:*

(a) *The list of authorised signatories sent on behalf of the Borrower by the Minister of Finance on [___] remains valid and applicable.*

(b) *No event has occurred that would render incorrect any statement made in the legal opinion issued by the Legal Advisor to the State at the Ministry of Justice, Transparency and Human Rights and the Legal Advisor to the State at the Ministry of Finance dated [___].*

(c) *No Event of Default has occurred.*

Yours faithfully,

ANNEX 3
FORM OF ACCEPTANCE NOTICE

EUROPEAN COMMISSION
DIRECTORATE GENERAL
ECONOMIC AND FINANCIAL AFFAIRS
Finance, coordination with EIB group, EBRD and IFI's

By fax followed by registered mail:
[Insert Borrower's contact details]

Copy to the European Central Bank
[Insert address]
Fax: [•]

Copy to the Bank of Greece
[Insert address]
Fax: [•]

Subject: ***Euro Area Stability Support***
Acceptance Notice for the [•] Loan

Dear Sirs,

*We refer to: (i) the Loan Facility Agreement between the Euro Area Member States (other than the Federal Republic of Germany and the Hellenic Republic) and KfW as Lenders and the Hellenic Republic as Borrower signed on [date] (the "**Agreement**"); and (ii) the Request for Funds notified to the Commission by the Hellenic Republic on [date]. Terms defined in the Agreement shall have the same meaning herein.*

We hereby confirm the financial terms applicable to the Loan requested by the Hellenic Republic in the above Request for Funds:

(a) *Principal amount of the Loan to be EUR [___].*

(b) *The Net Disbursement Amount of the Loan to be EUR [___].*

(c) *The Disbursement Date for the Loan shall be: [___].*

(d) *The Loan shall have [no Grace Period] [a Grace Period of [___].*

(e) *The Term of the Loan shall be [___] years.*

(f) *The scheduled principal repayments of the Loan shall be:*

Date (years)	***Scheduled Principal Repayments (€)***
0	*Disbursement*

(g) the Lenders in respect of this Loan comprise:

[ ], [ ], [ ], and [ ]

Yours faithfully,

EUROPEAN COMMISSION

[•] *[•]*

ANNEX 4
FORM OF LEGAL OPINION

(official letterhead of the Legal Advisor to the State at the Ministry of Justice, Transparency and Human Rights and the Legal Advisor to the State at the Ministry of Finance)

[place, date]

To: European Commission
[Insert address]

Re: Loan Facility Agreement between certain Euro Area Member States and KfW (as Lenders) and the Hellenic Republic (as Borrower) and the Bank of Greece (as the Borrower's Agent) signed on [•] 2010
Legal Opinion

Dear Sirs,

*In our capacity as the Legal Advisor to the State at the Ministry of Justice, Transparency and Human Rights and the Legal Advisor to the State at the Ministry of Finance, we refer to the above referenced Loan Facility Agreement and its Annexes which constitute an integral part thereof (hereinafter together referred to as the "**Agreement**") entered into between, amongs others, certain Euro Area Member States and KfW (hereinafter referred to as the "**Lenders**") and the Hellenic Republic (hereinafter referred to as the "**Borrower**") on [•]. I also refer to the the Memorandum of Economic and Financial Policies, the Memorandum of Understanding on Specific Economic Policy Conditionality and the Technical Memorandum of Understanding (the "**MoU**").*

We warrant that we are fully competent to issue this legal opinion in connection with the Agreement on behalf of the Borrower.

We have examined originals of the Agreement and of the MoU. We have also examined the relevant provisions of national and international law applicable to the Borrower and The Borrower's Agent, the powers of signatories and such other documents as we have deemed necessary or appropriate. Furthermore, we have made such other investigations and reviewed such matters of law as we have considered relevant to the opinion expressed herein.

We have assumed (i) the genuineness of all signatures (except the Borrower and the Borrower's Agent) and the conformity of all copies to originals, (ii) the capacity and power to enter into the Agreement of, and their valid authorisation and signing by, each party other than the Borrower and the Borrower's Agent and (iii) the validity, binding effect and enforceability of the Agreement on each party under the laws of England.

Terms used and not defined in this opinion shall have the meaning set out in the Agreement in the MoU.

This opinion is limited to Hellenic law as it stands at the date of this opinion.

Subject to the foregoing, we are of the opinion that:

2. *With respect to the laws, regulations and legally binding decisions currently in force in the Hellenic Republic, the Borrower is by the execution of the Agreement and the MoU by [insert name], Minister of Finance, validly and irrevocably committed to fulfil all of its obligations under it. In particular, the provisions of the Agreement relating to the advance of Loans are fully valid.*

3. *The Borrower's execution, delivery and performance of the Agreement and the MoU: (i) have been duly authorised by all necessary consents, actions, approvals and authorisations; and (ii) have not and will*

not violate any applicable regulation or ruling of any competent authority or any agreement or Treaty binding on it.

4. *Nothing in this Agreement contravenes or limits the rights of the Borrower to make punctual and effective payment of any sum due for the principal, interest or other charges under the Agreement.*

5. *The Agreement and the MoU are in proper legal form under Hellenic laws for enforcement against the Borrower and the Borrower's Agent. The enforcement of the Agreement would not be contrary to mandatory provisions of Hellenic law, to the ordre public of the Hellenic Republic, to international treaties or to generally accepted principles of international law binding on the Borrower.*

6. *It is not necessary in order to ensure the legality, validity or enforceability of the Agreement and the MoU that they be filed, recorded, or enrolled with any court or authority in the Hellenic Republic.*

7. *No taxes, duties, fees or other charges imposed by the Hellenic Republic or any taxing authority thereof or therein are payable in connection with the execution and delivery of the Agreement and with any payment or transfer of principal, interest, commissions and other sums due under the Agreement.*

8. *No exchange control authorisations are required and no fees or other commission are to be paid on the transfer of any sum due under the Agreement.*

9. *The signature of the Agreement and the MoU by [insert name], Governor of the Bank of Greece legally and validly binds the Borrower's Agent.*

10. *The choice of English law as governing law for the Agreement is a valid choice of law binding the Borrower in accordance with Hellenic law.*

11. *The Borrower has legally, effectively and irrevocably submitted to the exclusive jurisdiction of the Court of Justice of the European Union in connection with the Agreement and any judgement of this court would be conclusive and enforceable in the Hellenic Republic.*

12. *Neither the Borrower nor any of its property are immune on the grounds of sovereignty or otherwise from jurisdiction, attachment – whether before or after judgement – or execution in respect of any action or proceeding relating to the Agreement.*

13. *The execution of the Agreement and the MoU has been made upon the provisions of [insert appropriate reference to national law].*

14. *The Agreement and the MoU have been validly ratified in accordance with provisions of [insert appropriate reference to national law].*

15. *In conclusion, the Agreement and the MoU have been duly executed on behalf of the Borrower and all the Borrower's obligations in relation to the Agreement and the MoU are valid, binding and enforceable in accordance with their terms and nothing further is required to give effect to the same.*

Legal Advisor to the State at the Ministry of Justice, Transparency and Human Rights and the Legal Advisor to the State at the Ministry of Finance

ANNEX 5
EURIBOR SETTING RULES

1. *The EURIBOR for each Interest Period in respect of a Loan shall be fixed by the Commission in accordance with the following stipulations:*

   (1) *the EURIBOR for the Interest Period shall be expressed as an annual interest rate. It shall correspond to the reference interest rate determined in accordance with points (2) to (4);*

   (2) *on the second-last Business Day before the Disbursement Date and each Interest Payment Date (hereinafter referred to as the* ***"Interest Determination Date"****), the Commission, referring to the EURIBOR for three-month EUR deposits as quoted by the European Banking Federation on the Reuters 3000 XTRA monitor page EURIBOR 01 at, or around, 11 a.m. (Brussels time), shall determine the reference interest rate for the Interest Period following the respective Interest Determination Date;*

   (3) *in the event of the Reuters 3000 XTRA monitor page EURIBOR 01 not publishing the EURIBOR on an Interest Determination Date as per point (2), the Commission shall, by analogy to the procedure under point (2), determine the reference interest rate as the EURIBOR, referring to a succeeding, or alternative page with corresponding information; and*

   (4) *if, on an Interest Determination Date, no EURIBOR reference interest rates are quoted as described under points (2) and (3), the reference interest rate for the next interest period shall correspond to the three month EUREPO reference rate plus 25 basis points as published by the European Banking Federation on the Reuters 3000 XTRA monitor page EUREPO at or around 11 a.m. (Brussels time). If none of these interest rates are quoted as described, the reference interest rate for the next Interest Period shall correspond to the Lenders' actual financing costs.*

2. *The interest to be paid on the Loan shall be calculated by determining the amount to be paid on the outstanding principal amount according to the applicable Interest Rate, multiplying this result by the actual number of days in the respective Interest Period and then dividing by 360 days.*

ANNEX 6
FORM OF ASSIGNMENT AGREEMENT

Dated:

EUR 80 000 000 000 Loan Facility Agreement dated [ ] (the "Agreement")

1. *We refer to the Agreement. This is an Assignment Agreement. Terms defined in the Agreement have the same meaning in this Assignment Agreement unless given a different meaning in this Assignment Agreement.*

2. *We refer to Article 13 (Assignment and Transfer) of the Agreement:*

   (a) *The Existing Lender(s) assign(s) absolutely to the New Lender(s) all the rights of the Existing Lender(s) under the Agreement and the Loans which relate to that portion of the Existing Lender's/Lenders' Commitments and Participations in Loans under the Agreement as are specified in the Schedule.*

   (b) *Each Existing Lender is released from all the obligations of the Existing Lender which correspond to that portion of the Existing Lender's Commitments and Participations in Loans under the Agreement specified in the Schedule.*

   (c) *The New Lender(s) become(s) a party to the Agreement as a Lender and is/are bound by obligations equivalent to those from which the Existing Lender(s) is/are released under paragraph (b) above.*

3. *The proposed transfer date is [ ].*

4. *This Assignment Agreement shall upon delivery to the Borrower constitute notice of assignment to the Borrower.*

5. *This Assignment Agreement may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this Assignment Agreement.*

6. *This Assignment Agreement and any non-contractual obligations arising out of or in connection with it are governed by English law.*

7. *This Assignment Agreement has been entered into on the date stated at the beginning of this Assignment Agreement.*

SCHEDULE
TO THE ASSIGNMENT AGREEMENT

Rights to be assigned and obligations to be released and undertaken

[insert relevant details]

[Existing Lender(s)] | *[New Lender(s)]*

By: | *By:*

This Assignment Agreement is counter-signed by each of the other Lenders and the transfer date is confirmed as [•].

Signature of this Assignment Agreement by the Lenders constitutes confirmation by each of them of receipt of notice of the assignments referred to herein. A copy of this Assignment Agreement shall be supplied to the Commission promptly.

By:

The Lenders

ANNEX 7

LIST OF CONTACTS

For the Lenders and Commission:

European Commission
Directorate General Economic and Financial Affairs –
Unit L-4 "Lending, Borrowing, Accounting and Back Office"
L-2920 Luxembourg
Attention: Head of Unit
Fax: + 352 4301 33459
SWIFT BIC: EUCOLULL

With copy to the ECB:

European Central Bank
Kaiserstrasse 29
60311 Frankfurt am Main, Germany
Attention: Head of Financial Operations Services Division
Fax: + 49 69 1344 6171
SWIFT BIC: ECBFDEFFBAC

For the Borrower:

Ministry of Finance
General Accounting Office
37, E. Venizelos str.
101 65 Athens, Greece
Attention: 23rd Division
Fax: + 30 210 3338205

With copy to the Borrower's Agent:

Bank of Greece
21, E. Venizelos str.
102 50 Athens, Greece
Attention: Government Financial Operations & Accounts Department
Government Accounts Section
Fax: + + 30 210 3221007
SWIFT BIC: BNGRGRAA

INTERCREDITOR AGREEMENT

between

KINGDOM OF BELGIUM
FEDERAL REPUBLIC OF GERMANY
IRELAND
KINGDOM OF SPAIN
FRENCH REPUBLIC
ITALIAN REPUBLIC
REPUBLIC OF CYPRUS
GRAND DUCHY OF LUXEMBOURG
REPUBLIC OF MALTA
KINGDOM OF THE NETHERLANDS
REPUBLIC OF AUSTRIA
PORTUGUESE REPUBLIC
REPUBLIC OF SLOVENIA
SLOVAK REPUBLIC
AND
REPUBLIC OF FINLAND

8 May 2010

*THIS INTERCREDITOR AGREEMENT (the "**Agreement**")*

is made by and between:

*Kingdom of Belgium, Federal Republic of Germany, Ireland, Kingdom of Spain, French Republic, Italian Republic, Republic of Cyprus, Grand Duchy of Luxembourg, Republic of Malta, Kingdom of the Netherlands, Republic of Austria, Portuguese Republic, Republic of Slovenia, Slovak Republic and Republic of Finland (referred to hereafter as the "**Parties**").*

PREAMBLE

Whereas:

(1) *Greece (the "**Borrower**") has on 23 April 2010 requested bilateral loans from the other Euro Area Member States in accordance with the Statement of the Heads of State and Government of the euro area of 25 March 2010 and the Statement of the Eurogroup of 11 April 2010.*

(2) *Pursuant to that request, the representatives of the Euro Area Member States (other than Greece) have decided on 2 May 2010 to provide stability support to Greece in an intergovernmental framework via pooled bilateral loans (the "**Pooled Bilateral Loans**").*

(3) *Representatives of the Member States of the European Union have decided on 5 May 2010 to entrust the Commission with the tasks in relation to coordination and management of the Pooled Bilateral Loans as set out in this Agreement.*

(5) *The Pooled Bilateral Loans will be governed by the provisions of a loan facility agreement (the "**Loan Facility Agreement**") to be entered into between the Parties to this Agreement, other than the Federal Republic of Germany ("**Germany**"), and KfW ("**KfW**") as Lenders (the "**Lenders**") and the Borrower and by the terms of this Agreement.*

(6) *Measures concerning the coordination and surveillance of the budgetary discipline of Greece and setting out economic policy guidelines for Greece will be defined in a Council Decision on the basis of Articles 126(9) and 136 of the Treaty on the Functioning of the European Union (the "**Council Decision**"), and the support granted to Greece is made dependent on compliance by Greece amongst others with measures consistent with such act and laid down in a Memorandum of Economic and Financial Policies, Memorandum of Understanding on Specific Economic Policy Conditionality and Technical Memorandum of Understanding (hereinafter referred together as the "**MoU**") each signed on 3 May 2010 by the Borrower and the Bank of Greece.*

(7) *The Commission will open an account in the name of the Lenders with the European Central Bank (the "**ECB**"), to be used for processing all payments on behalf of the Parties, KfW and the Borrower in the context of the Pooled Bilateral Loans.*

Now, therefore, the Parties have agreed as follows:

1. ***OBJECT***

1. *The Parties hereby agree that the Commission will represent them in organising and administering the Pooled Bilateral Loans to be granted to the Borrower pursuant to the terms of the Loan Facility Agreement. The Parties hereby further agree on certain arrangements among themselves relating to their mutual relationship.*

2. *Upon the Commission having received Commitment Confirmations (as set out in Annex 4) from at least five Parties comprising at least 2/3 of the Total Commitment (a "**Critical Mass of Member States**"), this Agreement shall enter into effect and be binding on and between those Parties which*

have provided such Commitment Confirmations. This Agreement shall enter into force and become binding upon each remaining Party with effect from the date when the Commission receives the Commitment Confirmation of such Party. It is acknowledged and agreed that the Commitment Confirmation of a Party may be of provisional application in accordance with the national laws and legislation of the relevant Party.

3. *Germany shall designate KfW as Lender on behalf of Germany for the purposes of the Loan Facility Agreement. Germany may also appoint KfW as its delegate in relation to the performance of certain duties and functions under this Agreement provided that KfW shall not be entitled to represent Germany for the purposes of Articles 4, 7 and 8. Notwithstanding such delegation, Germany shall remain fully liable for the performance of its obligations under this Agreement. Accordingly, in this Agreement and in relation to Germany, references to Party and the duties, functions and obligations of a Party refer to Germany and references to Lenders and the duties, functions and obligations of Lenders refer to KfW as Lender under the Loan Facility Agreement acting in the public interest, subject to the instructions of and with the benefit of the guarantee of Germany provided that where a function, duty or obligation is imposed on a Lender under this Agreement, Germany shall, as Party to this Agreement, ensure to the other Parties and the Commission the performance by KfW as Lender under the Loan Facility Agreement of such duty, function or obligation.*

4. *Unless otherwise herein defined, capitalised words and expressions used in this Agreement shall have the meaning ascribed to them in the Loan Facility Agreement.*

2. *LOAN FACILITY AGREEMENT*

1. *The Parties agree that the Commission on behalf of the Parties shall negotiate (i) the Loan Facility Agreement under which the Pooled Bilateral Loans will, subject to the terms and conditions set out therein, be made available to the Borrower; (ii) the MoU with the Borrower; and (iii) collect and hold in safe custody any conditions precedents. The Parties (other than Germany) hereby authorise the Commission to sign the Loan Facility Agreement on their behalf, subject to the prior approval by all of them, after having liaised with the ECB. The Parties hereby authorise the Commission to sign the MoU on their behalf, subject to the prior approval by all of them, after having liaised with the ECB. These authorisations and the authorisation referred to in Article 3 shall take immediate effect as of the signature of this Agreement notwithstanding the terms of Article 1(2) above.*

   The Parties may participate in the negotiations with the Borrower led by the Commission.

2. *The Loan Facility Agreement shall have a total principal amount of up to EUR 80 billion, corresponding to the aggregate of the bilateral loans which may be made by all of the Lenders (referred to therein as the "**Loan Facility**").*

3. *The Commitment of each Party and, in addition, in the case of Germany, of the respective Lender KfW under the Loan Facility Agreement will be the aggregate amount of the bilateral loan, as may be divided in annual tranches, which such Party (Germany on behalf of KfW) or the respective Lender has committed to make available, i.e. the EUR amount determined by applying the percentage set out next to each Party's name in the third column (the "**Contribution Key**") in Annex 2, to the total principal amount of EUR 80 billion, as may be amended from time to time in accordance with Articles 2(5)(b) and 2(7).*

4. *The Commitment of each Party (Germany on behalf of KfW) and of the respective Lender to provide the corresponding bilateral loan is firm and binding. It is only subject to the fulfilment of any procedures[1] that are required under each Party's national law. Parties shall make their best efforts*

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[1] In particular parliamentary authorisation.

to complete such procedures swiftly. If these procedures are successfully completed, the Parties will then be required to participate in the Loans or ensure that the respective Lender participates, within the respective Commitment taking into account the annual tranches referred to in Article 2(3), if applicable, for the amounts to be determined by the Commission in accordance with this Agreement, subject to the decisions referred to in Articles 2(5)(b) and 4(2) as regards the release of disbursements.

5. (a) *If a Lender encounters higher funding costs than those applicable to the Borrower under the Loan Facility Agreement, such Lender shall inform the other Parties and the Commission (through the Euro Working Group Chairman) and request that the interest applicable to the outstanding Loans be determined in accordance with Annex 3.*

   (b) *If a Lender encounters higher funding costs, it may by written notice together with supporting information satisfactory to the other Lenders request the Parties (with a copy to the Commission and the Euro Working Group Chairman) to accept that the Lender in question does not participate in the Loans to be made. The decision of the Parties is to be made at the latest when they decide upon a Loan in accordance with Article 4(2).*

6. *An up-front Service Fee calculated on the principal amount of each Loan shall be charged to the Borrower and deducted from the cash amount to be remitted to the Borrower in respect of each such Loan (such that the Borrower receives the net amount), to cover operational costs. The Service Fee will be deducted from the cash amount remitted to Borrower in respect of each Loan (but shall not reduce the principal amount of such Loan that the Borrower is liable to repay) and will be allocated by the Commission to the Lenders actually contributing to that disbursement, proportionally to the participation of each such Lender in the total amount of that Loan. In the event of a re-allocation of the Loans made by different Lenders in accordance with Article 6(2) there shall be a re-allocation of such Service Fee amongst all Lenders who participate in the Loans on a pro rata basis.*

7. *The Borrower may only request the disbursement of a Loan during the Availability Period specified in the Loan Facility Agreement. The Parties may at any time unanimously decide to extend the Availability Period. The Parties may also, acting unanimously, agree to increase the Commitments and the aggregate amount of the Loans to be made available under the Loan Facility Agreement. In this event Germany shall procure that KfW extends the Availability Period and/or increases its Commitment under the Loan Facility Agreement accordingly.*

3. *OPENING OF ACCOUNT*

The Commission is authorised by the Parties to open an account in the name of the Lenders with the ECB and to use that account for processing all payments on behalf of the Lenders and from the Borrower in the context of the Pooled Bilateral Loans. The Commission is exclusively authorised to give all instructions in relation to this account in accordance with this Agreement. This account is maintained for each of the Lenders in accordance with their respective interests in the funds credited to the account.

4. *PREPARATION AND AUTHORISATION OF DISBURSEMENTS*

1. *Before each disbursement of a Loan under the Loan Facility Agreement, the Commission will, in liaison with the ECB, present a report to the Parties analysing compliance by the Borrower with the terms and the conditions set out in the MoU and in the Council Decision. The Parties will evaluate such compliance and will unanimously decide on the release of the relevant Loan. The first Loan is released upon signature of the MoU and will not be the object of such a report.*

2. *Following a Request for Funds from the Borrower complying with the terms of the Loan Facility Agreement, the Parties shall (other than in respect of the first Loan) consider the report of the*

Commission regarding the Borrower's compliance with the MoU and the Council Decision. If, acting unanimously, the Parties consider that the Borrower has complied with the conditions to drawdown under the Loan Facility Agreement and are satisfied with its compliance with the terms and conditions of the MoU and the Council Decision then the Euro Working Group Chairman shall request in writing the Commission on behalf of the Lenders to communicate an Acceptance Notice. The request from the Euro Working Group Chairman shall specify the amount which the Lenders are willing to make available by way of a Loan under the Loan Facility Agreement and on what terms including as to the amount of the Loan, the Net Disbursement Amount, the Term, the redemption schedule and the Interest Rate in relation to such Loan.

If, at the time of receipt of a Request for Funds for a Loan, one or several Lenders do not participate in such Loan by reason of the circumstances described in Articles 2(4) or 2(5)(b), then the other Lenders will cover the missing amount up to the limit of their respective Commitments taking into account the annual tranches referred to in Article 2(3), if applicable. In such circumstances, the share of each Lender in any potential future Loan will be recalculated by the Commission with a view to bringing it back, to the extent possible, to each Lender's Adjusted % Contribution (as defined in Article 6(2)(b)(i)) as soon as possible (frontloading/back loading). The calculation of the contribution of each Lender in the Loan will be part of the details relating to a Request for Funds supplied by the Commission to the Lenders.

3. *Following the communication by the Commission of a Request for Funds and after unanimous decision by the Parties to proceed with disbursement of a Loan, the Euro Working Group Chairman, on behalf of the Lenders, will send a letter to the Commission confirming the authorisation of the disbursement. The letter will irrevocably confirm the amount of the Loan, the Net Disbursement Amount, the Term, the redemption schedule, the Interest Rate, the Disbursement Date and any other conditions applicable as well as the respective proportion of each Lender. If applicable, and following receipt of written notice from relevant Lenders, the Euro Working Group Chairman shall communicate to the Commission and the Lenders whether any Lender has notified it that the circumstances described in Article 2(5) apply to it and the decision of the Parties relating thereto. The Euro Working Group Chairman shall communicate the decisions of the Parties to the Commission at least 10 Business Days prior to the relevant Disbursement Date. Notwithstanding the foregoing, as regards the first Loan the decision shall be communicated to the Commission at the latest two Business Days prior to the Disbursement Date.*

5. ***DRAWDOWN PROCEDURE***

1. *In preparation for the disbursement of a Loan, the Commission will call at least seven Business Days (T-7) before the Disbursement Date ("**T**") (two Business Days (T-2) in the case of the first disbursement) on the Committed Lenders to make their participation available on the account referred to in Article 3 on T by 11:00 a.m. (Brussels time) in the form of the Template Drawdown Notice in Annex 5 to this Agreement. The Committed Lenders shall send a copy of their payment instructions to this effect to the Commission and the ECB at the latest two Business Days (T-2) before (one Business Day (T-1) before in the case of the first disbursement). The Lenders undertake not to change them.*

2. *If on the Disbursement Date the account referred to in Article 3 has not been credited with the full amount of the Net Participations (the "**Full Amount**") in sufficient time to allow the ECB to transfer the full amount of the Loan to be disbursed on T, then:*

(a) *if the aggregate amount of the Net Participations received is at least 90% of the Full Amount in respect of such Loan then, provided that the Borrower consents, the Commission shall instruct the ECB to disburse the Loan in an amount equal to the aggregate of the Net Participations actually received into the account; if in such circumstances the Borrower refuses to receive the lower amount of the Loan then the*

Commission shall instruct the ECB to return the Net Participations received to the Committed Lenders concerned; if the Borrower accepts to receive the reduced Net Participations and within 2 Business Day of T, all or part of the shortfall in the Net Disbursements is received into the Lenders' Account then the Commission shall consult with the Borrower as to whether it wishes to receive a remittance of such funds and in such event the parties shall make such adjustments to the terms of the relevant portion of the Loan to take into account the late receipt of these funds. Any funds received outside this period of two Business Days shall be returned by the Commission to the relevant Committed Lenders but without prejudice to the rights of the Borrower in respect of such Committed Lenders which failed to fund the Loan;

(b) *if the aggregate amount of the Net Participations received is lower than 90% of the Full Amount in relation to such Loan, then the Commission shall not instruct the ECB to make such Loan and the ECB and the Commission shall await further instructions from the Parties through the Euro Working Group Chairman. If the relevant Parties instruct the Commission not to proceed with such Loan or do not reply within two Business Days following the Disbursement Date the Commission shall instruct the ECB to return such funds to the Lenders concerned.*

The amounts held in the account will be remunerated according to a rate decided by the ECB.

6. CALCULATIONS AND DISTRIBUTION OF PAYMENTS

1. Interest calculation

The Parties agree to entrust the Commission with the task of making the calculations for the purposes of this Article and the Loan Facility Agreement. It shall determine the Interest Rate for each Loan in accordance the Loan Facility Agreement, calculate the amounts payable on each Interest Payment Date and notify the Borrower and the Lenders thereof. It will also instruct the ECB and inform the Lenders on the distribution of any amounts being received from the Borrower in the account referred to in Article 3 above.

2. Reallocation of Committed Lenders' Participations in Loans:

On the first date (the ***"Recalculation Date"****) on which interest is payable or a scheduled repayment has to be made hereunder after the earliest of:*

(i) *the Disbursement Date of the last Loan under the Loan Facility Agreement, following which the Facility Amount (as increased, reduced or cancelled from time to time) has been disbursed in full, or*

(ii) *the date on which an Event of Default under the Loan Facility Agreement occurs, or*

(iii) *the day on which the Availability Period, as may be postponed from time to time, expires.*

the Commission will recalculate the Participation of each of the Committed Lenders in each of the outstanding Loans in order to ensure that pro-rata amongst Lenders is achieved as follows:

(a) *If at the Recalculation Date:*

(i) *the relative proportion of the outstanding of each Committed Lender as related to the total outstanding resulting from all Loans coincides with the Adjusted % Contribution (as defined in Paragraph (b) below), and*

(ii) *all Loans have the same characteristics (in particular, same interest, payment dates, maturity and repayment profile),*

all amounts thereafter due and payable from the Borrower and received by the ECB on the account referred to in Article 3 for each Loan will be distributed to the Lenders according to the actual contribution of each Committed Lender in such Loan.

(b) *In all other circumstances, the Commission will calculate for each Committed Lender:*

(i) *the proportion that each Committed Lender's Commitment bears to the Total Commitment (the "**Adjusted % Contribution**"),*[2] *and*

(ii) *the proportion that each Committed Lender's actual participation outstanding in each Loan bears to the total amount outstanding of each such Loan (the "**Actual % Contribution**"); and*

(iii) *the amount by which each Committed Lender's actual participation outstanding in each Loan exceeds (the "**Excess Participation Amount**") or is less than (the "**Shortfall Participation Amount**") the total amount outstanding of such Loan multiplied by each such Committed Lenders' Adjusted % Contribution.*

If the Actual % Contribution of any Committed Lender in the aggregate of any outstanding Loans is lower than its Adjusted % Contribution in such Loans, the Commission will instruct:

(1) *each such Committed Lender to transfer to the ECB an amount equal to the aggregate of its Shortfall Participation Amounts (less the amount of the Service Fee attributable to such Shortfall Participation Amount) in relation to all outstanding Loans to the account referred to in Article 3; and*

(2) *the ECB, following receipt of the aggregate of the Shortfall Participation Amount pursuant to Paragraph (i) above, to make payments to all Committed Lenders, whose Actual % Contribution in any Loan outstanding exceeds their respective Adjusted % Contribution in relation to such Loan, in an amount equal to the aggregate of each such Committed Lender's Excess Participation Amounts (less the amount of the Service Fee attributable to such Excess Participation Amount) in relation to all Loans outstanding*

*(each a "**Balancing Payment**"). The Balancing Payments shall all be made on the same day. The recalculation becomes effective on the day when such Balancing Payments are made.*

The Service Fee shall be reallocated among the Lenders according to the same process. For the avoidance of doubt, interest paid until the Recalculation Date will not be reallocated.

Prior to and at the date on which the Balancing Payment is effectively made, all amounts due and payable from the Borrower and received by the ECB on the account referred to in Article 3 will be distributed to the Committed Lenders according to the actual participation of each Lender in each Loan, subject to the terms of Article 6(3).

From the date on which the Balancing Payment is effectively made until the final repayment of all Loans, all amounts due and payable from the Borrower and received by the ECB on the account referred to in Article 3 will be distributed to the Lenders according to their respective Adjusted % Contribution, subject to the terms of Article 6(3).

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[2] For clarification purposes, if all Lenders successfully finalise - where required - their respective national legal procedures, the Adjusted % Contribution will be identical to the Contribution Key.

The Commission will present the Adjusted % Contribution, the Actual % Contribution, the Excess Participation Amount, the Shortfall Participation Amount and the Balancing Payment to the Committed Lenders through the Euro Working Group Chairman for approval by them prior to its application.

The Committed Lenders shall (i) pay to, or receive a payment from, the account referred to in Article 3 in accordance with the notification given by the Commission, and (ii) accept or make the assignment or the transfer of the assets derived from the rebalancing referred to in Article 6(2)(b) above once all corresponding payments have been made.

3. *If one or more of the Committed Lenders at the time of disbursement of a Loan has proved to the satisfaction of the other Committed Lenders that their funding costs were higher than the Interest Rate of the Loan, the provisions of Annex 3 to this Agreement will apply and the allocation among the Lenders of interest amounts paid by the Borrower will be modified by the Commission accordingly. The Committed Lenders and the ECB will be informed thereof.*

4. *In case that the Borrower does not pay any amount due in full, the amounts received will be distributed pro rata according to the rules set out in Article 6(2). The application of default interest on overdue amounts and the allocation of funds towards payment of fees, costs, interest and principal will be effected in accordance with the provisions of the Loan Facility Agreement.*

7. *BREACH OF OBLIGATIONS UNDER THE LOAN FACILITY AGREEMENT AND AMENDMENTS AND/OR WAIVERS TO IT*

1. *In case that the Commission becomes aware of a breach of an obligation under the Loan Facility Agreement, it shall promptly inform the Parties (through the Euro Working Group Chairman) and the ECB about this situation and shall propose how to react to it. The Euro Working Group Chairman will coordinate the position of the Parties and will inform the Commission and the ECB of the decision taken. The Commission and the Lenders will thereafter implement the decision in accordance with the Loan Facility Agreement.*

2. *In case that the Commission becomes aware of a situation where amendments and/or waivers relating to any Loan made under the Loan Facility Agreement may become necessary, it shall inform the Parties through the Euro Working Group Chairman and the ECB about this situation and shall propose how to react to it. The Euro Working Group Chairman will coordinate the position of the Parties and will inform the Commission and the ECB of the decision taken. The Commission and the Lenders will thereafter implement the decision and, following instructions of the Parties, negotiate and sign a corresponding amendment or waiver or a new loan agreement with the Borrower or any other arrangement needed.*

3. *In other cases than those referred to in Article 7(1) and 7(2), if the Commission becomes aware of a situation where there is a need for the Parties to express an opinion or take an action in relation to the MoU or the Loan Facility Agreement, it shall inform the Parties through the Euro Working Group Chairman about this situation, and shall propose how to react to it. The Euro Working Group Chairman will coordinate the position of the Parties and will inform the Commission of the decision taken. The Commission and the Lenders will thereafter implement the decision taken in whichever form is needed.*

8. *CERTAIN INTER-CREDITOR AND OTHER ARRANGEMENTS*

The Parties acknowledge and agree as follows:

1. *All Lenders rank equal and pari passu amongst themselves.*

2. *Decisions to be made under or in relation to the Loan Facility Agreement will be taken by the majority of Parties representing Lenders holding no less than 2/3 of the principal amount outstanding in respect of Loans at the time of the voting, unless the decision relates to a matter for which unanimity is expressly required in this Agreement or in the Loan Facility Agreement in which case a unanimous decision of all the Parties shall be required. For the avoidance of doubt, decisions as to whether to declare an Event of Default and/or to permit a waiver or amendment in respect of the Loan Facility Agreement (other than in respect of one of the matters expressly set out in Article 8(3) below) shall be taken by such a 2/3 majority.*

3. *A unanimous decision of the Parties is needed in order to authorise the modification of (i) this Agreement or the MoU or (ii) any of the following terms of the Loan Facility Agreement: aggregate principal amount of the Loan Facility, Commitment, Adjusted % Contribution, the Availability Period, a repayment profile or Interest Rate of any outstanding Loan. Unanimity means a positive or negative vote of all the Parties provided that any Party which has cancelled its Commitment as Lender (in the case of Germany, the Commitment of KfW) to make further Loans shall not have any vote on decisions in respect of such further Loans but shall retain its voting rights on matters affecting Loans which it (or in the case of Germany, KfW) has funded and which remain outstanding.*

4. *The Parties shall take their decisions at meetings within the framework of the Eurogroup, excluding Greece. All their decisions shall be communicated in writing by the Euro Working Group Chairman to the Commission.*

5. *Each of the Parties undertakes for the benefit of the other Parties to coordinate with the other Parties in respect of the exercise of any rights to accelerate or to enforce against the Borrower in accordance with the terms of this Agreement and the Loan Facility Agreement.*

6. *The Parties shall not assign or transfer any of their rights or obligations under this Agreement without the prior written consent of the other Parties to this Agreement and the Commission.*

9. *SHARING OF PAYMENTS*

1. *Each Lender undertakes not to seek payment of its rights in respect of Loans from the Borrower other than in accordance with the terms of this Agreement and the Loan Facility Agreement, undertakes to pay all sums received by it in respect of the Loan Facility Agreement which have not been received from the ECB as contemplated by this Agreement and the Loan Facility Agreement to the account referred to in Article 3 to be distributed on a pro rata basis in accordance with the terms of this Agreement. They also undertake not to actively set-off claims they may have against the Borrower against sums owed by them to the Borrower other than subject to compliance with this Article 9.*

2. *If a Lender (a "**Recovering Lender**") receives or recovers (including by way of set-off) any amount from the Borrower other than in accordance with the payment mechanics set forth in this Agreement or the Loan Facility Agreement and applies that amount to a payment due to it under this Agreement or the Loan Facility Agreement;*

   (a) *the Recovering Lender shall, within three Business Days, notify details of the receipt or recovery to the Commission;*

   (b) *the Recovering Lender shall, within three Business Days of demand by the Commission, pay to the ECB an amount (the "**Sharing Payment**") equal to such receipt or recovery.*

3. *The Commission shall treat the Sharing Payment as if it had been paid by the Borrower and distribute it between the participating Lenders (including the Recovering Lender) in accordance with the payment mechanics set forth in this Agreement and the Loan Facility Agreement.*

10. *ADMINISTRATIVE PROVISIONS*

1. *For all its functions under this Agreement, the Commission shall act through its service Directorate General Economic and Financial Affairs ("**ECFIN**") and on the basis of the internal rules applicable to its off-budget financial operations.*[3]

2. *All costs of the Lenders and the Commission arising in the implementation of the Agreement shall be borne by the Borrower in accordance with the Loan Facility Agreement. The Commission shall charge no fees for its work for organising and administering the Pooled Bilateral Loans.*

3. *The Commission shall report to the Lenders on the outstanding claims and liabilities under the Loan Facility Agreement on a quarterly basis.*

4. *The Commission will report to the Parties and ask instructions from the Euro Working Group Chairman regarding unsettled claims and liabilities or any other issues that may arise under this Agreement or the Loan Facility Agreement.*

5. *Each Lender is required to inform the Commission promptly in writing (i) that its contribution to the Loan Facility Agreement is duly authorised under the national law applicable to it after the signature thereof, or (ii) if subject to such procedures, as soon as they have been duly completed, and deliver to the Commission a Commitment Confirmation. It is acknowledged and agreed that the Commitment Confirmation of a Party may be of provisional application in accordance with the national laws and legislation of the relevant Party.*

11. *COMMUNICATIONS*

All notices in relation to this Agreement shall be validly given if in writing and sent to:

For the Parties:

The Eurogroup Working Group Chairman
c/o EWG Secretariat
B-1049 Brussels

For the Commission:

European Commission
DirectorateGeneral Economic and Financial Affairs
Directorate "Finance, coordination with EIB Group, EBRD and IFIs"
L-2920 Luxembourg

All practical communications in relation to a Loan to be disbursed, once a decision by the Parties on its release has been taken, and corresponding reimbursements shall be validly performed if in accordance with the list of contacts and account details for the Lenders, the ECB and the Commission as communicated to the Commission, unless otherwise specifically defined in this Agreement. The details (and such further details that may be requested by the Commission) shall be communicated to the Commission at the latest on the date of signature of this Agreement. Any changes to the details shall be promptly communicated to the Commission. The Commission shall send a copy of the list to all Parties.

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[3] Commission Decision C(2005)2992 of 9 August 2005.

12. ***TERM***

This Agreement shall remain in full force and effect as long as there are any amounts outstanding under the Loan Facility Agreement. The Agreement shall also cover any possible further Loan Facility Agreement between the Lenders and Greece.

For the avoidance of doubt, as far as the MoU is concerned, this Agreement covers the 3-year programme period.

13. ***MISCELLANEOUS***

1. *If any one or more of the provisions contained in this Agreement should be or become fully or in part invalid, illegal or unenforceable in any respect under any applicable law, the validity, legality and enforceability of the remaining provisions contained in this Agreement shall not be affected or impaired thereby. Provisions which are fully or in part invalid, illegal or unenforceable shall be interpreted and thus implemented according to the spirit and purpose of this Agreement.*

2. *The Preamble to this Agreement forms an integral part of this Agreement.*

3. *The Borrower shall receive a copy of this Agreement.*

14. ***GOVERNING LAW AND JURISDICTION***

1. *This Agreement and any non-contractual obligations arising out of or in connection with it shall be governed by and shall be construed in accordance with English law.*

2. *Any dispute arising from or in the context of this Agreement shall be settled amicably, failing which it shall be submitted to the exclusive jurisdiction of the Court of Justice of the European Union.*

15. ***EXECUTION OF THE AGREEMENT***

This Agreement may be executed in any number of counterparts signed by one or more of the Parties. The counterparts each form an integral part of the original Agreement and the signature of the counterparts shall have the same effect as if the signatures on the counterparts were on a single copy of the Agreement.

The Commission shall promptly after the signature of this Agreement supply conformed copies of the Agreement to each of the Parties.

16. ***ANNEXES***

The Annexes to this Agreement shall constitute an integral part thereof:

1. List of Parties with their respective Commitments;

2. Contribution Key;

3. Special case of higher funding costs;

4. Template for Commitment Confirmation;

5. Template for Drawdown Notice.

Done in Brussels on 8 May 2010

For the Parties,

Kingdom of Belgium,

represented by Vice Prime Minister

-signed-

Didier Reynders

Federal Republic of Germany,

represented by Minister Dr. Wolfgang Schäuble

-signed-

Ireland,

represented by Mr. Brian Lenihan, T.D., Minister for Finance

-signed-

Kingdom of Spain,

represented by Minister of Economy and Finance

-signed-

Elena Salgado Mendez

French Republic,

represented by Minister Christine Lagarde

Ministre de l'Economie, de l'Industrie et de l'Emploi

-signed-

Italian Republic,

represented by Minister Giulio Tremonti, Ministro dell'economia e delle finanze

-signed-

Republic of Cyprus,

represented by Minister of Finance

-signed-

Mr. Charilaos Stavrakis

Grand Duchy of Luxembourg,

represented by Minister

-signed-

Luc Frieden

Republic of Malta,

represented by Minister Tonio Fenech

Minister for Finance the Economy and Investment

-signed-

Kingdom of the Netherlands,

represented by Minister of Finance

-signed-

Mr. drs. J.C. de Jager

Republic of Austria,

represented by Federal Minister of Finance

-signed-

Josef Pröll

Portuguese Republic,

represented by Minister of State and Finance, Fernando Teixeira dos Santos

-signed-

Republic of Slovenia,

represented by Minister of Finance

-signed-

Franc Križanič

Slovak Republic,

represented by Minister Ján Počiatek

-signed-

Republic of Finland,

represented by Minister of Finance

-signed-

Jurki Katainen

ANNEX 1
LIST OF PARTIES WITH THEIR RESPECTIVE COMMITMENTS

Country	**Commitments EUR**
Kingdom of Belgium	*2.860.942.462,10*
Federal Republic of Germany (Commitment of KfW)	*22.336.133.611,30*
Ireland	*1.310.046.500,93*
Kingdom of Spain	*9.794.387.452,71*
French Republic	*16.773.596.199,72*
Italian Republic	*14.739.467.996,33*
Republic of Cyprus	*161.470.573,49*
Grand Duchy of Luxembourg	*206.054.851,64*
Republic of Malta	*74.543.025,89*
Kingdom of the Netherlands	*4.703.995.187,73*
Republic of Austria	*2.290.192.933,16*
Portuguese Republic	*2.064.558.742,44*
Republic of Slovenia	*387.812.451,16*
Slovak Republic	*817.850.223,95*
Republic of Finland	*1.478.947.787,45*
	80.000.000.000,00

ANNEX 2
CONTRIBUTION KEY

Member State	***ECB Capital subscription key***	***Contribution Key***
Kingdom of Belgium	*2,4256*	*3,576178077627360%*
Federal Republic of Germany	*18,9373*	*27,920167014121300%*
Ireland	*1,1107*	*1,637558126162890%*
Kingdom of Spain	*8,3040*	*12,242984315887900%*
French Republic	*14,2212*	*20,966995249651300%*
Italian Republic	*12,4966*	*18,424334995414800%*
Republic of Cyprus	*0,1369*	*0,201838216864770%*
Grand Duchy of Luxembourg	*0,1747*	*0,257568564545473%*
Republic of Malta	*0,0632*	*0,093178782365621%*
Kingdom of the Netherlands	*3,9882*	*5,879993984660890%*
Republic of Austria	*1,9417*	*2,862741166445020%*
Portuguese Republic	*1,7504*	*2,580698428050350%*
Republic of Slovenia	*0,3288*	*0,484765563952786%*
Slovak Republic	*0,6934*	*1,022312779941790%*
Republic of Finland	*1,2539*	*1,848684734307780%*
Total	*67,8266*	*100,00000000000000%*

ANNEX 3

SPECIAL CASE OF HIGHER FUNDING COSTS

The following rules apply if a contributing Member State "A", at the time when the decision of the Parties in accordance with Article 4(2) concerning the disbursement of a Loan is taken proves to the satisfaction of the other Parties that its own funding costs are higher than the Interest Rate of the Loan:

1. *The Commission shall request similar information from the other Parties about their respective funding costs.*

2. *The Member State "A" shall be paid, from all interest received under the Loan Facility Agreement, the amount that corresponds to its absolute funding cost for its part in the Loan.*

3. *Other Lenders shall be paid, from all interest received under the Loan Facility Agreement, after pro rata deduction of the amount under point 2.*

4. *If such calculation would result in any Lender other than Member State "A" being allocated an interest amount lower than its funding costs, the Commission will revert to the Parties in accordance with Article 10(4).*

ANNEX 4

TEMPLATE FOR COMMITMENT CONFIRMATION

[Letter head of Authorities of Euro Area Member State]

By fax followed by registered mail:

European Commission
Directorate General Economic and Financial Affairs
Directorate "Finance, coordination with EIB Group, EBRD and IFIs"
L-2920 Luxembourg
Fax: +352 4301 33459

Copy to:

European Central Bank
Kaiserstrasse 29
D-60311 Frankfurt am Main
Germany

Fax: +49 69 1344 6171

Re: ***Euro Area Member States Stability Support for Greece***
Confirmation Commitment

Dear Sirs,

*We refer to the Intercreditor Agreement between the Kingdom of Belgium, Federal Republic of Germany, Ireland, Kingdom of Spain, French Republic, Italian Republic, Republic of Cyprus, Grand Duchy of Luxembourg, Republic of Malta, Kingdom of the Netherlands, Republic of Austria, Portuguese Republic, Republic of Slovenia, Slovak Republic and Republic of Finland (the "**Parties**") signed on [•]. We furthermore refer to the Loan Facility Agreement between the Parties, except Germany, and KfW as Lenders and the Hellenic Republic as Borrower signed on [•].*

We hereby notify you that we are duly authorised under our national laws to permit us to be [provisionally]/ [definitively] bound by the above mentioned Agreements with effect from [date]. [With reference to Article 2(3) of the Agreement we inform you that the annual tranches of the Commitment are as follows: [add relevant information, if applicable]

Yours faithfully,

[Name of Euro Area Member State]

[•] *[•]*

ANNEX 5
TEMPLATE FOR DRAWDOWN NOTICE

EUROPEAN COMMISSION
DIRECTORATE GENERAL
ECONOMIC AND FINANCIAL AFFAIRS

INSTRUCTION LETTER FROM THE EUROPEAN COMMISSION TO THE LENDERS

[DATE]

To: *[insert contact details of Lender]*

Copy: *European Central Bank (ECB)*

Dear Sirs

Re: ***Loan Facility Agreement with the Hellenic Republic***
Loan N° [ ] for EUR [ ], final maturity [date]

In accordance with the decision of the Euro Working Group of [date] transmitted by its Chairman, we hereby instruct you, in your capacity as Lender under the Loan Facility Agreement [dated] and in accordance with Art. 5(1) of the Intercreditor Agreement, to transfer to the account at the European Central Bank an amount of EUR [ ] (i.e. loan amount of EUR [ ] minus service fee of EUR [ ]).

We request you to transfer via SWIFT message MT202 [or another SWIFT message agreed with the ECB] in TARGET2 for value [date], before 11:00 a.m. Brussels time to the TARGET2 participant SWIFT-BIC: ECBFDEFFBAC, in favour of account number 4050992001, account name "Pooled bilateral loans EC/Lenders" with ref.: "Euro Area Stability support to Greece".

Please provide us and the ECB with a copy of the transfer instructions at least two Business Days before the value date. These instructions shall be irrevocable and may not be varied except with the consent of yourselves and the Commission.

Terms not defined in this letter shall have the same meaning as in the Loan Facility Agreement.

Yours faithfully

European Commission

By: *By:*

Participating Lender	*Loan amount*	*Service fee*	***Net disbursement amount***
[Lender A]			
[Lender B]			
[Lender C]			
……			
TOTAL			

MEMORANDUM OF UNDERSTANDING

BETWEEN

THE EUROPEAN COMMISSION, ACTING ON BEHALF OF THE EURO AREA MEMBER STATES

AND

THE HELLENIC REPUBLIC

The present memorandum of understanding contains the following documents:

(a) A memorandum of economic and financial policies

(b) A memorandum on specific economic policy conditionality

(c) A technical memorandum of understanding

The memorandum of understanding may be amended upon mutual agreement of the parties in the form of an Addendum. The addendum will be an integral part of this Memorandum and will become effective upon signature.

Done in Brussels on 03/05/2010 and in Athens on 03/05/2010 in three originals, in the English language.

For the Republic of Greece,

______________________	______________________
George Papaconstantinou	*George Provopoulos*
Minister of Finance	*Governor of the Bank of Greece*

For the European Commission, acting on behalf of the euro area Member States,

____

Olli Rehn
Member of the European Commission

GREECE

Memorandum of Economic and Financial Policies

May 3, 2010

I. RECENT DEVELOPMENTS

1. ***The economic downturn accelerated coming into 2010.*** *Greek real GDP declined by 2 percent in 2009 and indicators suggest that activity will weaken further in 2010. Following the Greek elections in October, the realization that the fiscal and public debt outturn for 2008 and 2009 were significantly worse than had been reported by the previous government caused confidence to drop, financing costs to increase, and growth and employment to suffer.*

2. ***The crisis exposed the weak fiscal position.*** *The deficit of 5.1 percent of GDP in 2007, at the top of the cycle, shows that Greece entered the downturn with a large underlying public deficit. With weak revenue policies and tax administration, especially leading up to the 2009 elections and aggravated by the recession, revenues declined notably. Spending, meanwhile, increased significantly, especially on wages and entitlements, reflecting weak spending discipline and monitoring and control, which also led to new arrears. The deficit jumped to an estimated 13.6 percent of GDP while the public debt rose to over 115 percent of GDP in 2009. The monitoring and control deficiencies delayed the implementation of corrective fiscal policies.*

3. ***The financial system has been adversely affected.*** *With the deteriorating fiscal results came downgrades of government bonds by rating agencies, and investors started backing out of Greek bonds, driving up their yields. Furthermore, it is clear that the deep macroeconomic and structural problems combined with unavoidable strong fiscal adjustment over the medium term are likely to weigh on activity for some time. This combination of factors affects negatively the banking system. Impaired loans are rising while borrowing costs in the interbank and wholesale markets have increased, putting pressure on bank profitability.*

4. ***Despite the recession, the external deficit is declining only gradually.*** *Inflation and domestic costs have increased well above those of Greece's euro partners over the last decade and Greece has lost competitiveness. As a result, the external current account deficit at end 2009 was still over 11 percent of GDP, and the net international investment position is over negative 83 percent of GDP. The external interest bill on the foreign debt has increased to over 5 percent of GDP, so it will take a surplus in trade of goods and services to return the current account to a more sustainable position. This will require a strengthening of economic policies and competitiveness to lay the foundations for a growth model that relies more on investment and exports.*

II. KEY OBJECTIVES AND THE OUTLOOK

5. ***The main objectives of the program are to correct fiscal and external imbalances and restore confidence.*** *Without regaining confidence in the sustainability of fiscal and economic developments, the cost of funding the economy is bound to stay high if not increase further. The fiscal and the external imbalances need to be corrected. Facing these two tasks at the same time is challenging, requiring a major reorientation in the economy. Growth is unlikely to be buoyant as the initial corrective fiscal measures are implemented, but with financial sector policies to preserve the soundness of the banking sector and strong medium-term fiscal and structural policies, the economy will emerge from this experience in better shape than before with higher growth and employment.*

6. ***The government foresees an extended adjustment period:***

- ***Real GDP growth*** *is set to contract significantly in 2010-2011, but should gradually recover thereafter. The economic program assumes negative growth of 4 percent in 2010 and 2½ percent in*

2011. While fiscal consolidation is bound to weigh on economic activity at first, it is expected that confidence effects from the front-loaded fiscal measures and the strong medium-term economic program in combination with comprehensive structural reforms will create the conditions for a return to growth from 2012 onward.

- ***Inflation*** *needs to be reduced significantly below the euro area average for Greece to regain swiftly price competitiveness. Domestic demand tightening, both through fiscal adjustment and efforts to moderate wages and pensions, together with cost-cutting measures in the economy, will be essential to bring inflation down in a meaningful way. In this regard, addressing oligopolistic structures to reduce high markups in some sectors will also be important.*

- ***The external deficit*** *is projected to decline gradually over the medium term as domestic demand and inflation moderate and the economy responds to structural reforms to improve the supply of exports and reduces the dependence on imports. This process will naturally take several years, while the interest costs on the substantial external debt will pressure the current account for some time.*

III. ECONOMIC POLICIES

7. ***To achieve the program objectives, all available fiscal, financial, and structural policies will be used.*** *The economy needs a strong and sustained adjustment program to correct fiscal imbalances and place debt on a downward path in the medium term, maintain banking sector stability, and restore competitiveness:*

- ***Fiscal adjustment will have to be the cornerstone of the program.*** *The government is committed to put in place durable adjustment measures, on top of those already announced in March this year, of 11 percent of GDP in cumulative terms through 2013, with additional remedial measures in 2014 to reduce the deficit to well below 3 percent of GDP. This large adjustment is needed to put the debt-GDP ratio on a downward trajectory from 2013 onward, which will be sustained after the program by keeping primary balances in a sizeable surplus (at least 5 percent of GDP) up to 2020. To sustain fiscal consolidation over the medium term, the government also is committed to strengthen the fiscal policy framework and fiscal institutions.*

- ***Incomes and social security policies need to buttress the fiscal adjustment effort and restoration of competitiveness.*** *Realigning incomes to sustainable levels is necessary to assist fiscal correction, support a reduction in inflation well below the euro area average, and improve price and cost competitiveness on a lasting basis. Social security programs need to be strengthened to confront underlying structural imbalances that result from the ageing of the population, where growth in entitlement costs for Greece is projected to be among the highest in the European Union with current policies. As the largest annual overruns in the budget consistently come from the social security funds, reforms cannot be postponed any longer to safeguard the viability of the system.*

- ***Financial sector policies need to maintain stability.*** *While currently capital buffers in the banking system are reassuring, bank supervisors will need to monitor closely liquidity and nonperforming loans at individual banks. The Bank of Greece and the government will further strengthen and clarify the key elements of Greece's supervisory and financial crisis framework to assist the banking system through this period of lower growth.*

- ***Structural reforms that boost the economy's capacity to produce, save, and export will be critical for the medium-term recovery.*** *Greece's openness is lagging euro-area peers. The government is determined to implement an ambitious program of reforms to modernize the public sector and render product and labor markets more efficient and flexible, create a more open and accessible environment for domestic and foreign investors, and reduce the state's direct participation in domestic industries.*

8. ***The government is committed to fairness in the distribution of the adjustment burden.*** *Our resolve to protect the most vulnerable in society from the effects of the economic downturn was taken into account in the design of the adjustment policies. In consolidating government finances, larger contributions will be raised from those who have traditionally not carried their fair share in the tax burden. With regard to the reduction in public wages and in pensions, the minimum earners have been protected:*

- *Pension reductions: The elimination of the 13th and 14th pensions is compensated, for those receiving less than €2500 a month, by introducing a new flat bonus of €800 a year. The benefit reduction is weighted toward the higher pension earners.*

- *Wage bill reductions. The 13th and the 14th wage payments will be eliminated for all employees. To protect the lower income segment, here too, for those receiving less than €3000 a month, a flat bonus payment of €1000 a year per employee will be introduced, which will be financed through cutting salary allowances for higher income segments.*

- *Further, minimum pensions and family support instruments will not be cut, and the most vulnerable will be compensated for the possible adverse impact of policies. To explain and forge consensus on policies to overcome the crisis, the government will invite representatives of businesses and labor to sign a social pact for the duration of the program. The spirit of the above considerations is to maintain strong social cohesion, fight poverty, and maintain employment.*

A. Fiscal Policies

9. ***The Greek government recognizes the need to implement a frontloaded multiyear adjustment effort given Greece's very high and still growing debt ratio and large fiscal deficit.*** *All the necessary measures to strengthen market confidence and convince creditors that Greece will regain control over the debt dynamics will be taken. A difficulty is that policies to restore external price competitiveness, which in a monetary union have to rely on reductions in domestic costs and prices, will initially weigh on economic activity, government revenue and debt dynamics. Therefore, the effort has to take place in a period of contracting economic activity, naturally slowing revenues, and cyclically high expenditure. However, it is imperative to place fiscal policies, and the economy, on a sound path for future growth. It is clear that the public sector has become too large and costly and has to become smaller, more efficient and agile, and oriented to providing better services to citizens.*

10. ***The fiscal strategy is anchored in placing the debt-GDP ratio on a declining path from 2013 onward and reducing the general government deficit to well below 3 percent of GDP by 2014.*** *To avoid reform fatigue and boost market confidence, the government's strategy is strongly to frontload the fiscal adjustment. All the fiscal measures for the remainder of 2010-2012 have been identified, and most of them will be adopted in the coming weeks. Fiscal measures for 2013 have also been identified with some residual gap remaining that will need to be addressed in coming reviews.*

11. ***A very strong start has already been made leading to a significant reduction in the 2010 first quarter deficit. For the remainder of 2010 additional measures will be implemented beyond those stipulated in the EU Council Decision and Recommendation of 16 February 2010 and those announced in March 2010*** *(Table 1). The three biggest upfront measures are an immediate cut in the public sector wage bill, and in pension outlays, and further increases in the VAT and selected excises (together with other steps yielding 2½ percent of GDP in further savings already in 2010). This will assure that the deficit, notwithstanding the recession, drops from an estimated 13.6 percent of GDP in 2009 to 8.1 percent of GDP in 2010. These very large upfront efforts show the government's resolve in responding to the recent deterioration in market sentiment and the large fiscal challenges, and will help overcome the adverse developments on revenue and support payments such as higher unemployment outlays. These large measures come on top of those already undertaken, which include the first installment of lowering the government's wage bill and selected social security benefits (while safeguarding the minima), the substantial reductions in operating expenditures in all ministries, and significant permanent revenue measures and special taxes on* *highly profitable enterprises and large properties, and on luxury goods. Thus, the government's resolve is unwavering and every effort will be made to distribute the burden equitably.*

12. ***For 2011 and beyond, further revenue and expenditure measures have been identified to secure fiscal targets****. Together with the full-year effect of the advance measures taken in mid-2010, these will cover the adjustment needs for 2011 projected at 4 percent of GDP. Adjustment measures in 2012 will continue at a pace of 2½ percent of GDP and in 2013 they are projected to be 2 percent of GDP. Given the expected weakness in GDP, the headline deficit in percent of GDP is expected to drop to 7½ percent in 2011, with more significant headline declines in subsequent years when economic growth resumes.*

- ***Expenditures will be cut by the equivalent of around 7 percent of GDP through 2013.*** *Since adoption of the euro, Greece has increased its noninterest expenditures by 8 percentage points of GDP, including with public wages, consumption, and social transfers imposing an overly large burden on the state. This needs to be reversed. As a result, wage and entitlement program costs need to be curtailed as they represent the bulk of the primary budget expenditures, and thereafter wages and pensions will be subsequently frozen in nominal terms for the duration of the program. The government has also planned other reductions in government spending, including by replacing over time only 20 percent of retiring employees, and by consolidating municipalities and local councils. It is essential that the burden of the adjustment on the expenditure side be distributed over multiple programs, so even investment spending will need to be rationalized and shifted to more intensive and efficient use of EU structural and cohesion funds, as feasible. Independent reviews will be launched, conducted by internationally renowned experts, of the public administration and of existing social programs to help identify actions to rationalize the organization of public administration and improve targeting of social programs so that resources are channeled to the most vulnerable.*

- ***Revenues will be increased by the equivalent of around 4 percent of GDP through 2013.*** *Revenue from higher income segments of society will include a boost in (presumptive) taxation on liberal professions, an increase in luxury goods taxation, and (temporary) surcharges on highly profitable entities and high valued properties as well as other measures to combat tax evasion included in the recently adopted tax reform legislation. Other revenue increases will include broadening the VAT base, increasing rates and raising excise taxes where Greece is below the euro area average and collection efficiency is low. Green taxes and "health" taxes (such as on consumption of alcohol and tobacco) will also play a part in the revenue raising effort.*

13. ***Besides these direct fiscal steps for the budget, the government also has initiated a series of important structural fiscal reforms****. These will boost sustainability by helping to strengthen control over revenues and expenditures:*

- ***Pension reform.*** *The current pension system is unsustainable and will become insolvent if responsible measures are not taken to place it on a sound footing. The government has initiated a reform which should be adopted before end-June 2010. The National Actuarial Authority will produce a report to verify that the parameters of the new system ensure long-term actuarial balance. The existing pension funds will be merged in three funds. The reform will introduce a new system to strengthen the link between contributions and benefits, with uniform rules that will apply pro-rata to all current and future workers. The normal retirement age will be set to 65 years, increasing in line with life expectancy. Benefits will be indexed to prices. The reform will also restrict early retirement, including for those insured before 1993, and reduce the list of heavy and arduous professions. The new system will also include a means-tested social pension for all citizens above the normal retirement age so that an important safety net is provided, consistent with fiscal sustainability.*

- ***Health sector reform.*** *The government will implement double-entry accrual accounting in hospitals, the regular publication of audited accounts, and improvements in pricing and costing mechanisms. The government also plans to separate health funds from administration of pensions, merge the* *funds to simplify the overly fragmented system, and bring all health-related activities under one ministry.*

- ***Tax reform.*** *The government has obtained passage of a tax bill that includes important components to make the tax system more efficient and equitable. The income tax system has become more progressive; exemptions and deductions have been reduced to broaden the tax base; and a number of reforms have been introduced to fight tax evasion, including the tightening of obligations to issue receipts for VAT and to document living expenses, and the introduction of presumptive taxation. The government will further review the tax system to simplify it and increase efficiencies as necessary.*

- ***Tax administration.*** *Tax administration improvements are being implemented for which technical assistance has already been received from the IMF. In the short run, the government's strategy will focus on safeguarding revenue from the largest taxpayers, stronger enforcement and auditing of high-wealth individuals and self-employed (where risk of evasion is largest) and prosecuting the worst offenders, strengthening enforcement of VAT filing and payment, and collecting on the large stock of tax arrears. For the medium-term, the government will design a program of structural reforms in key tax compliance and administration areas, including: developing and maintaining a comprehensive compliance risk management framework (notably preparing a compliance strategy for 2012); developing taxpayer service capacity to support compliance improvement efforts; substantially improving enforcement operations, particularly in audit, using risk-based approaches; and building headquarters strategic management and planning capabilities in tax and customs administration.*

- ***Public financial management and fiscal framework.*** *Technical assistance from the IMF and the European Commission on public financial management and longer-term budgeting reforms will be re-prioritized to address the short-term challenges we are facing. In this context, the General Accounting Office (GAO) will be responsible for monitoring and reporting of general government data; the government will introduce standardized commitment control procedures for all public entities to prevent the re-emergence of arrears; ensure that all budgets are prepared within a medium-term fiscal strategy for the general government and presented before the start of the fiscal year; introduce top-down budgeting with expenditure ceilings, a sufficient contingency reserve, and a medium-term expenditure framework for the State budget; require a supplementary budget for any overruns above this contingency provision; and amend the 1995 budget management law to give effect to the above. The government will continue to work with the technical assistance teams of the IMF and the European Commission to implement the recommendations already received, and to make further improvements over the course of the program, including the creation of an independent fiscal agency attached to parliament.*

- ***Debt management framework.*** *The government will update its debt management strategy and the tools to ensure that risk is adequately managed. To enhance market confidence and communication, the government plans to review the operational and risk management framework for debt management to ensure the transparency and predictability of our actions. The government has already sought technical assistance in this area from the IMF.*

- ***Fiscal and other public sector reporting of information, including statistical aspects.*** *Upon taking office in October 2009, the new government immediately disclosed that the fiscal deficit for 2008 was under-reported and needed to be revised. Working closely with Eurostat on fiscal data processing and reporting, the government has already taken remedial measures to prevent the reoccurrence of such problems and has designed jointly with the European Commission an action plan to address outstanding statistical issues. Among these, full independence has been granted to the Greek Statistical Office and sufficient resources will be devoted in the coming years to improve statistical systems and seek appropriate resident technical assistance to ensure rapid progress. To that end, the measures in the joint Greek government and European Commission Statistical Action Plan will be fully implemented. Going forward, we feel confident that we are in a position to provide* *accurate fiscal data to the Fund and our European partners Further, since January 2010, timely monthly central government budget reports on a cash basis have been published. The GAO will also start publishing monthly data on expenditures pending payment, including arrears, from July 2010. Efforts will also be intensified to improve the collection and processing of general government data compiled according to the European System of National and Regional Accounts (ESA) required under the existing EU legal framework, and compile comprehensive data on employment in the general government. Detailed information will be furnished to the European Commission, the ECB and the Fund on the operating accounts and balance sheets of key public enterprises.*

14. ***The program will be closely monitored and measures will be taken as necessary.*** *There are risks to the program from lower revenue, higher social transfers, further downward revisions of growth, additional fiscal liabilities from the public and financial sector, and higher interest costs. However, these can be managed and the government stands ready to take appropriate measures to preserve the program objectives, including by reducing discretionary spending, as necessary. At the same time, there is some upside potential. Our 2010-2011 projections include cautious estimates of the measures taken, positive confidence effects could boost GDP growth and reduce market risk premia, and our revenue administration efforts could start to yield more revenue gains than currently assumed in the program. Should confidence rebound and the market support Greece earlier than expected, or the supply response from reforms comes in more vigorously, these benefits will be saved and the correction to the intended deficit will be brought forward to achieve a speedier return to fiscal sustainability.*

B. Financial Sector Policies

15. ***Despite a strong solvency position, at present, the Greek banking system is facing challenges****. The system's equity base was substantially strengthened in 2009, jumping from €24 to €33 billion, including through capital injections from the government, for €3.8 billion, capital increases from the owners, and retained earnings. All banks are in compliance with the capital adequacy requirement of 8 percent, and the average capital adequacy ratio rose to 11.7 percent at end 2009. However, the fiscal crisis and a weakening economic environment resulted in a reversal in credit growth and an increase in non-performing loans, which reached 7.7 percent at end-2009 while profitability declined and might become negative this year.*

16. ***The immediate challenge for the banks is to manage carefully the current tight liquidity conditions.*** *In the general context of the turbulence affecting the debt markets for the Greek government, the Greek banks have lost wholesale market access to fund their operations since end-2009. Maturing interbank liabilities have not been renewed, or only at high costs, and some moderate deposit outflows were noted during the first months of 2010, which has put pressure on the liquidity position of many Greek banks. As a result, the banks have increasingly relied on Eurosystem credit operations. To assist the banks in these difficult times the government has extended the banking assistance package of early 2009 (€28billion of which €11 billion had been used by end-2009)), to provide a substantial €17 billion in additional liquidity and the government is implementing another extension of this support facility subject to approval by decision of the European Commission. Within the existing Euro system framework, national central banks may give support to temporarily illiquid, but solvent institutions. In the event that such support is given by the Bank of Greece, it will be fully guaranteed by the Greek state in a manner that is consistent with relevant ECB and EU requirements.*

17. ***The government and the Bank of Greece are also putting in place a new safety net to preserve the sound level of bank equity, and thus improve conditions to support the real economy.*** *Anticipating that banks profits may decline further, possibly impacting their equity position, the government will establish (by June 30, 2010, as a structural benchmark), through specific legislation and in consultation with the IMF, the European Commission, and the ECB, a fully independent Financial Stability Fund (FSF). The FSF's key decision makers will be persons of recognized standing in financial matters, appointed by the government and the Governor of the Bank of Greece (who will make most of the appointments).*

18. ***The primary purpose of the FSF is to preserve the financial sector's soundness and thus its capacity to support the Greek economy, by providing equity support to banks as needed.*** *Whenever* *supervisory assessments conclude that a bank's capital buffer might fall below adequate levels, the shareholders will be required to immediately bring additional capital or take bridging capital support from the FSF. If banks are then not able to expeditiously raise additional capital on their own and repay the FSF, a restructuring process will take place under the lead of the FSF, in line with EU competition and state aid requirements.*

19. ***Other elements of the safety net for the financial sector will also be strengthened.*** *Corporate debt restructuring legislation, and the current proposal for a personal debt restructuring law, will be in line with international best practices, to ensure that credit discipline is maintained, that creditor and consumer rights are protected, and that relevant information concerning borrowers' track record is preserved.*

20. ***The Bank of Greece will implement intensified supervision and increase the resources dedicated to banking supervision.*** *This will include an increase in the frequency and speed of data reporting, and the further development of a comprehensive framework for regularly stress-testing financial institutions. Staffing will be increased both for on-site inspections and off-site review, also taking into account the new responsibilities of the Bank of Greece with respect to insurance supervision. Additional flexibility will be introduced in the management of human resources, and all Bank of Greece staff will be granted strong legal protection for actions performed in good faith.*

21. ***Close coordination will be maintained with home and host country supervisors within the EU framework for cross-border bank supervision.*** *In this context, the authorities are fully aware of the significant presence of Greek banks in South Eastern European (SEE) countries; a number of MoUs with the host supervisory authorities (both EU and non-EU) have been signed. Communication with regulators in SEE regarding risk assessments and liquidity contingency plans are also intensifying.*

C. Structural Policies

22. ***Structural policies are strengthened in order to boost competitiveness and emerge from the crisis quickly.*** *These will enhance the flexibility and productive capacity of the economy, ensure that wage and price developments restore and then sustain international competitiveness, and progressively alter the economy's structure towards a more investment and export-led growth model. The Greek government will work closely with the European Commission and the ECB to pursue reforms as specified in the MoU attached to this MEFP. In particular:*

- ***Modernizing public administration.*** *Fragmented employment practices will be reformed by reorganizing recruitment procedures and finalizing the single payment authority for wages. A simplified remuneration system will be introduced, in a cost-saving manner that will cover basic wages and all allowances which apply to all public sector employees. Procurement practices will be strengthened to generate efficiency gains and ensure transparency. The health care system, where there have been major expenditure overruns, will be overhauled through reforms in management, accounting and financing systems. A reorganization of sub-central government will be implemented to reduce the number of local administrations and elected/appointed officials. The government will collaborate with the EC to launch an independent external functional review of public administration at the central government level. These reforms will help prioritize government activities and, strengthen the fight against waste and corruption throughout the public administration.*

- ***Strengthening labor markets and income policies.*** *In line with the lowering of public sector wages, private sector wages need to become more flexible to allow cost moderation for an extended period of time. Following consultation with social partners and within the frame of EU law, the government will reform the legal framework for wage bargaining in the private sector, including by eliminating asymmetry in arbitration. The government will adopt legislation for minimum entry level wages in order to promote employment creation for groups at risk such as the young and long-term unemployed. In parallel, the government will implement the new control system for undeclared work and modernize labor market institutions. Employment protection legislation will be revised,* *including provisions to extend probationary periods, recalibrate rules governing collective dismissals, and facilitate greater use of part-time work. The scope for improvements in the targeting of social expenditures will be revised in order to enhance the social safety net for the most vulnerable.*

- ***Improving the business environment and bolstering competitive markets.*** *The government will shortly adopt legislation establishing one-stop shops for starting new enterprises to cut procedures, costs and delays. Legislation will be introduced to cut licensing and other costs for industry. The government will fully implement key steps of the EU Services Directive in 2010, especially in priority areas such as tourism, education and retail. Over the course of next year, restricted professions will be opened by reducing fixed tariffs and other restrictions in the legal, pharmacy, notary, engineering, architect, road haulage, and auditing professions. The role of the Hellenic Competition Commission (HCC) will also be strengthened. Network industries will be progressively liberalized, especially in the transport and energy sector while strengthening regulators in these sectors in line with EU policies.*

- ***Managing and divesting state enterprises.*** *These need to be subject to greater transparency to increase efficiency and reduce losses. As a first step, 2009 financial statements audited by chartered accountants of the ten largest loss makers will be published on the internet. A time table and action plan for improving the financial performance of main loss-makers, most notably in the railway and public transportation companies will be produced. This action plan will include concrete steps to reduce costs, including by streamlining the networks serviced and increasing tariffs. The government will review the role for divesting state assets, including of land owned by public enterprises or the government. The government will further review the scope for improving corporate governance, and enhancing oversight of state-ownership.*

- ***Improving the absorption of EU structural and cohesion funds.*** *The government will work closely with the EC to raise the absorption rate of Structural and Cohesion Funds, including by establishing targets for payment claims based on Management Information System (MIS) data every six months to be measured by certified data and a system of "fast track project production" which includes deadlines for each step of the approval and implementation of projects. A minimum of ten major projects per annum will be submitted. Within the overall public investment envelope agreed in this program, a central account will be established to be used for budgetary appropriations for the national cofinancing of Structural and Cohesion Funds. A specific Task Force will be established with the Commission to ensure the faster delivery of high-quality projects.*

IV. PROGRAM FINANCING

23. ***We anticipate covering the program's financing requirements with financial support from euro-area member states and the IMF while strengthening access to the private capital markets.*** *Notwithstanding the significant fiscal adjustment, we project a public financing gap of around €110 billion, for the program period, which we expect to cover through matching bilateral lending support from euro area member states (€80 billion) and through IMF support (€30 billion). Greece will draw on these resources in parallel throughout the program period, drawing on the bilateral and IMF financing in a ratio of 8 to 3 in each disbursement (measured at the program exchange rate). We are confident that resolute implementation of our economic program will help our economy recover and bolster market sentiment. If fiscal consolidation proceeds faster than expected or if market conditions improve significantly during the program period, we would refrain pari passu from drawing on the full bilateral and IMF support.*

V. PROGRAM MONITORING

24. Progress in the implementation of the policies under this program will be monitored through quarterly (and continuous) quantitative performance criteria (PCs) and indicative targets, structural benchmarks, program reviews and consultation clauses. These are detailed in Tables 2 and 3. The attached TMU contains definitions. Quantitative targets up to December 2010 are PCs. Targets for 2011-2013 are *indicative and for 2011 will be converted into PCs at the time of the second review before end-2010. A joint EC/ECB MoU specifies, notably, the structural policies recommended in the MEFP, and sets a precise time frame for their implementation.*

25. *In the context of the arrangement, the Bank of Greece will undergo a safeguards assessment in accordance with the IMF safeguards policy. In this regard, and to facilitate a timely completion of the assessment, the authorities have provided the information requested for the assessment to commence, and have also authorized the external auditors to provide information to and hold discussions with the staff of the IMF. As a related matter, and given that financing from the IMF will be used to provide direct budget support, a memorandum of understanding between the government and the Bank of Greece will establish a clear framework on the modalities for the repayment of IMF financing and the servicing of interest payments and other charges. As part of these arrangements, Fund disbursements will be deposited into the government's single treasury account at the Bank of Greece pending their use.*

Table 1. Greece: Fiscal measures included in the programme

2010

in million EUR		***% of GDP***
Revenue		***0.5***
Increase in VAT rates	*800*	*0.3*
Increase in excise tax on fuel	*200*	*0.1*
Increase in excise tax on cigarettes	*200*	*0.1*
Increase in excise tax on alcohol	*50*	*0.0*
Expenditure		***1.9***
Wage bill cut by reducing the Easter, summer and Christmas bonuses and allowances	*1100*	*0.5*
Intermediate consumption	*700*	*0.3*
Pension cuts (highest pensions)	*350*	*0.1*
Elimination of solidarity allowance (second instalment)	*400*	*0.2*
Pensions cut by reducing the Easter, summer and Christmas bonuses	*1500*	*0.6*
Public investment reduction	*500*	*0.2*
TOTAL ANNUAL IMPACT	***5800***	***2.5***

2011

in million EUR		*% of GDP*
Carry over from last year		***1.1***
Increase the VAT rates	*1000*	*0.4*
Increase in excise tax on fuel	*250*	*0.1*
Increase in excise tax on cigarettes	*300*	*0.1*
Increase in excise tax on alcohol	*50*	*0.0*
Wage bill cut by reducing the Easter, summer and Christmas bonuses and allowances	*400*	*0.2*
Pensions cut by reducing the Easter, summer and Christmas bonuses	*500*	*0.2*
Revenue		***2.2***
Taxation on unauthorised establishments	*800*	*0.4*
Luxury goods tax	*100*	*0.0*
Book specification of income	*50*	*0.0*
Gaming royalties	*200*	*0.1*
Gaming licenses	*500*	*0.2*
Special levy on profitable firms	*600*	*0.3*
Levies on illegal buildings	*500*	*0.2*
VAT - changes in the sub-categories and broadening base	*1000*	*0.4*
Green tax	*300*	*0.1*
Presumptive taxation	*400*	*0.2*
Increase of legal values of real estate	*400*	*0.2*
Taxation of wage in kind (cars)	*150*	*0.1*
Expenditure		***1.0***
Intermediate consumption	*300*	*0.1*
Savings from the introduction of unified public sector wages	*100*	*0.0*
Pension freeze	*100*	*0.0*
Kalikrates savings	*500*	*0.2*
Pension cuts (highest pensions)	*150*	*0.1*
Public investment reduction	*500*	*0.2*
TOTAL ANNUAL IMPACT	***9150***	***4.1***

in million EUR	*2012*	*% of GDP*
Revenue		***0.7***
Excise non-alcoholic beverages	*300*	*0.1*
Gaming licenses	*225*	*0.1*
Gaming royalties	*400*	*0.2*
VAT - broadening base	*300*	*0.1*
Presumptive taxation	*100*	*0.0*
Increase of legal values of real estate	*200*	*0.1*
Expenditure		***1.2***
Reduction in public employment in addition to the 5-to-1 replacement rule	*600*	*0.3*
Means test unemployment benefit	*500*	*0.2*
Pension freeze	*250*	*0.1*
Kalikrates savings	*500*	*0.2*
Cut transfers to public entities	*800*	*0.4*
Public investment reduction	*500*	*0.2*
Unidentified cuts in operational expenditure	*900*	*0.4*
TOTAL ANNUAL IMPACT	***5575***	***2.4***

2013

in million EUR		*% of GDP*
Revenue		*-0.3*
Presumptive taxation	*100*	*0.0*
Gaming licenses	*-725*	*-0.3*
Expenditure		*0.5*
Reduction in public employment in addition to the 5-to-1 replacement rule	*500*	*0.2*
Pension freeze	*200*	*0.1*
Kalikrates savings	*500*	*0.2*
Unidentified measures	***4200***	***1.8***
TOTAL ANNUAL IMPACT	***4775***	***2.0***

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2014

in million EUR		*% of GDP*
Temporary measures		***-0.4***
Special levy on profitable firms (discontinuation of temporary measures)	*-600*	*-0.2*
Levies on illegal buildings (discontinuation of temporary measures)	*-450*	*-0.2*
Unidentified measures	***5750***	***2.4***
TOTAL ANNUAL IMPACT	***4700***	***1.9***
TOTAL MEASURES 2010 - 2014	***30000***	***13.0***

Table 2. Greece: Quantitative Performance Criteria (in billions of euros, unless otherwise indicated)

	Performance Criteria			Indicative Targets		
	juin-10 Progr. 1/	sept-10 Progr. 1/	déc-10 Progr. 1/	déc-11 Progr. 2/	déc-12 Progr. 3/	déc-13 Progr. 4/
1. Floor on the modified general government primary cash balance	-5.0	-4.0	-5.7	-2.1	2.4	7.4
2. Ceiling on State Budget primary spending	34	50	67	67	68	69
3. Ceiling on the accumulation of new domestic arrears by the general government 5/	..	..	..	0	0	0
4. Ceiling on the overall stock of central government debt	342	342	342	365	..	..
5. Ceiling on the new guarantees granted by the central government	2.0	2.0	2.0	1.0	0.0	0.0
6. Ceiling on the accumulation of new external payments arrears on external debt contracted or guaranteed by general government from multilateral or bilateral official creditors 5/	0	0	0	0	0	0

1/ Cumulatively from January 1, 2010 (unless otherwise indicated).
2/ Cumulatively from January 1, 2011 (unless otherwise indicated).
3/ Cumulatively from January 1, 2012 (unless otherwise indicated).
4/Cumulatively from January 1, 2013 (unless otherwise indicated).
5/ Applies on a continuous basis from April 30, 2010 onward.

Table 3. Greece: Structural Conditionality for 2010 1/

Measures	Date	Macrocritical relevance
	Prior actions	
1. Reduce public wage bill by cutting bonuses/allowances; and pension bonuses (except minimum pensions).		Improves fiscal sustainability; has signaling effect for private sector wage setting.
2. Increase standard VAT rate from 21 to 23 percent and reduced rate from 10 to 11 percent and excise tax rates on alcohol, tobacco, and fuel with a yield of at least €1.25 billion in the remainder of 2010.		Improves fiscal sustainability.
3. Appoint staff team and leader in GAO responsible for general government in-year cash reporting.		Establishes in-year oversight responsibilities of general government fiscal policy.
Structural benchmarks	**End-June 2010**	
1. Establish the independent Financial Stability Fund (FSF) to preserve the financial sector's soundness and thus its capacity to support the Greek economy by providing equity support to banks as needed.		Enhances financial stability.
2. Adopt and start to implement a reorganization of sub-central government with the aim to reduce the number of local administrations and elected/appointed officials (Kalikrates).		Improves fiscal sustainability.
3. Submit to parliament amendments to Law 2362/1995 to (i) require the MoF to present a three-year fiscal and budget strategy, (ii) introduce top-down budgeting with expenditure ceilings for the State budget and multi-year expenditure estimates by line ministry, (iii) introduce standard contingency margins, (iv) require a supplementary budget for any overspending above the contingency, (v) and introduce commitment controls. The amended law should be immediately effective, including in the context of the 2011 budget.		Improves credibility of the budget and fiscal consolidation program.
4. The National Actuarial Authority to produce a report to assess whether the parameters of the new system significantly strengthen long-term actuarial balance.		Reduces budgetary costs of ageing and improves long-term fiscal sustainability. Increases labor force participation.
	End-September 2010	
1. Adopt a comprehensive pension reform that reduces the projected increase in public spending on pensions over the period 2010-60 to 2½ percent of GDP.		Improves fiscal sustainability.
2. Establish a commitment register in all line ministries and public law entities. Begin publishing monthly data on general government in-year fiscal developments (including arrears).		Reduces budget overruns.
3. Publish 2009 financial statements of the ten largest loss-making public enterprises, audited by chartered accountants, on the official website of the Ministry of Finance.		Increases transparency of fiscal risks to fiscal sustainability.
4. Put in place an effective project management arrangement (including tight MOF oversight and five specialist taskforces) to implement the anti-evasion plan to restore tax discipline through: strengthened collection enforcement and recovery of tax arrears—coordinated with the social security funds—of the largest debtors; a reorganized large taxpayer unit focused on the compliance of the largest revenue contributors; a strong audit program to defeat pervasive evasion by high-wealth individuals and high income self-employed, including prosecution of the worst offenders; and a strengthened filing and payment control program.		Achieves revenue targets and enhances sustainability of the consolidation by increasing burden sharing of the adjustment.
	End-December 2010	
1. Publish a detailed report by the ministry of finance in cooperation with the single payment authority on the structure and levels of compensation and the volume and dynamics of employment in the general government.		Reduces wage escalation. Improves transparency of public sector employment.
2. Adopt new Regulation of Statistical Obligations for the agencies participating in the Greek Statistical System.		Enhance confidence in fiscal reporting and support the formulation of fiscal policy.
3. Prepare a privatization plan for the divestment of state assets and enterprises with the aim to raise at least 1 billion euro a year during the period 2011-2013.		Reduces state intervention in the real economy; improves market efficiency; and cuts fiscal contingencies.

1/ Structural benchmarks for 2011 will be determined in the reviews for end-September and end-December 2010.

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Table 4. Greece: Fiscal financing gap and disbursement schedule, 2010-2013, billion euro 1/

		SUM	2010				2011				2012				2013	
		10Q2-13Q2	**Jan-Apr**	**May-Jun**	**Q3**	**Q4**	**Q1**	**Q2**	**Q3**	**Q4**	**Q1**	**Q2**	**Q3**	**Q4**	**Q1**	**Q2**
A.	GG deficit	48.5	6.1	3.1	4.6	4.6	4.1	4.1	4.1	4.1	3.6	3.6	3.6	3.6	2.7	2.7
B.	GG deficit + PE borrowing need	53.0	6.8	3.4	4.9	4.9	4.5	4.5	4.5	4.5	4.0	4.0	4.0	4.0	3.0	3.0
C.	Debt amortization (existing bonds)	138.3	20.1	9.5	5.4	4.4	13.8	13.1	10.8	5.4	19.1	13.2	12.6	5.5	9.8	15.6
D.	of which short-term debt	50.0	...	0.0	4.6	4.3	4.0	4.0	4.0	4.0	4.0	4.0	4.5	4.5	4.0	4.0
E.	of which long-term debt	88.3	...	9.5	0.8	0.1	9.8	9.1	6.8	1.4	15.1	9.2	8.1	1.0	5.8	11.6
F.	Stock flow adjustment	1.5	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
G.	**Public sector financing need (B+C+F)**	**192.8**	**27.0**	**13.0**	**10.4**	**9.4**	**18.4**	**17.7**	**15.5**	**10.0**	**23.2**	**17.3**	**16.7**	**9.6**	**12.9**	**18.7**
H.	Rollover of short-term debt		...	0%	87%	93%	100%	100%	113%	113%	100%	100%	111%	111%	100%	100%
I.	Rollover of long-term debt		...	0%	0%	0%	0%	0%	0%	0%	75%	75%	75%	75%	100%	100%
J.	**New GG borrowing**	**77.9**	**28.9**	**0.0**	**4.0**	**4.0**	**4.0**	**4.0**	**4.5**	**4.5**	**15.3**	**10.9**	**11.1**	**5.8**	**9.8**	**15.6**
K.	of which short-term borrowing (D*H)	47.0	...	0.0	4.0	4.0	4.0	4.0	4.5	4.5	4.0	4.0	5.0	5.0	4.0	4.0
L.	of which long-term borrowing (E*I)	30.9	...	0.0	0.0	0.0	0.0	0.0	0.0	0.0	11.3	6.9	6.1	0.8	5.8	11.6
M.	Privatisation receipts	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
N.	PE borrowing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
O.	Bank support scheme	10.0	0.0	5.0	5.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
P.	**Financing gap (E-G-H-I+J+O)**	**109.2**	**-1.9**	**18.0**	**11.4**	**5.4**	**14.4**	**13.7**	**11.0**	**5.5**	**7.9**	**6.4**	**5.6**	**3.8**	**3.1**	**3.1**
Q.	**Loan disbursements**	**110.0**	**0.0**	**20.0**	**9.0**	**9.0**	**15.0**	**12.0**	**8.0**	**5.0**	**10.0**	**6.0**	**6.0**	**2.0**	**6.0**	**2.0**
R.	of which IMF	30.0	0.0	5.5	2.5	2.5	4.1	3.3	2.2	1.4	2.7	1.6	1.6	0.5	1.6	0.5
S.	of which EU	80.0	0.0	14.5	6.5	6.5	10.9	8.7	5.8	3.6	7.3	4.4	4.4	1.5	4.4	1.5

1/ Data in this table are subject to revision.

Memorandum on

SPECIFIC ECONOMIC POLICY CONDITIONALITY

May 3, 2010

The quarterly disbursements of bilateral financial assistance from euro area Member States will be subject to quarterly reviews of conditionality for the duration of the arrangement. The release of the tranches will be based on observance of quantitative performance criteria, and a positive evaluation of progress made with respect to policy criteria in the MEFP and in this Memorandum, which specifies the detailed criteria that will be assessed for the successive reviews, up to the end of 2011. The detailed criteria for the years 2012 and 2013 will be specified at the occasion of the spring 2011 review.

The authorities commit to consult with the European Commission, the ECB and the IMF on adoption of policies that are not consistent with this memorandum. They will also provide them with all requested information for monitoring progress during program implementation and the economic and financial situation (Annex 1). Prior to the release of the installments, the authorities shall provide a compliance report on the fulfillment of the conditionality.

1. Actions for the first review (to be completed by end Q2-2010)

i. Fiscal consolidation

Progress with the implementation of the 2010 budget and fiscal measures adopted thereafter. Progress is assessed against the (cumulative) quarterly deficit ceilings in the MEFP (including the TMU). The authorities take the following measures, generating savings for a total amount of 2.5% of GDP in 2010:
1.

- *Increase in VAT rates, with a yield of at least EUR 1800 million for a full year (EUR 800 million in 2010);*
- *Increase in excises for fuel, tobacco and alcohol, with a yield of at least EUR 1050 million for a full year (EUR 450 million in 2010);*
- *Reduction in the public wage bill by reducing the Easter, summer and Christmas bonuses and allowances paid to civil servants, with net savings amounting to EUR 1500 million for a full year (EUR 1100 million in 2010);*
- *Elimination of the Easter, summer and Christmas bonuses paid to pensioners, while protecting those receiving lower pensions, with net savings amounting to EUR 1900 for a full year (EUR 1500 million in 2010);*
- *Cancel budgetary appropriations in the contingency reserve with the aim of saving EUR 700 million;*
- *Reduce the highest pensions with the aim of saving EUR 500 million for a full year (EUR 350 million in 2010);*
- *Abolish most of the budgetary appropriation for the solidarity allowance (except a part for poverty relief) with the aim of saving EUR 400 million;*
- *Reduce public investment by EUR 500 million compared to plans;*
- *Parliament adopts, as planned in the stability programme of January 2010, a Law introducing a progressive tax scale for all sources of income and a horizontally unified treatment of income generated from labor and assets;*
- *Parliament adopts, as planned in the stability programme of January 2010, a Law abrogating exemptions and autonomous taxation provisions in the tax system, including income from special allowances paid to civil servants. The law applies retroactively from January 1, 2010.*

ii. Structural Fiscal Reforms

Government adopts by end June 2010 a law that requires the monthly publication by the General Accounting Office (GAO) of timely monthly statistics (on a cash basis) on revenue, expenditure and financing for the State, as well as on spending pending of payment, including arrears.

iii. Financial sector regulation and supervision

The Bank of Greece, on behalf of the Government, establishes an independent Financial Stability Fund, with a strong governance structure, to deal with potential solvency issues and to preserve the financial sector's soundness and its capacity to support the Greek economy, by providing equity support to banks as needed (Annex 2).

Start implementation of intensified supervision of banks, including by allocating more human resources, also with a view to the take-over of insurance supervision, frequent reporting under tighter deadlines and quarterly solvency stress tests.

Review the private sector bankruptcy law to ensure consistency with ECB observations.

iv. Structural reforms

Authorities undertake reforms to modernize public administration:

Parliament adopts legislation reforming public administration at the local level, notably by merging municipalities, prefectures and regions with the aim of reducing operating costs and wage bill.

Parliament adopts legislation requiring online publication of all decisions involving commitments of funds in the general government sector.

To strengthen labor market institutions:

Government starts discussions with social partners in order to revise private sector wage bargaining and contractual arrangements.

To enhance competition in open markets:

Government adopts law to simplify the start-up of new businesses.

Government adopts the horizontal legislation on the Services Directive.

Government adopts a recovery plan for the railway sector with a timetable for measures which:

- *specify how operational activities will be made profitable, including by closing loss-making lines;*
- *ensure the effective implementation of EU Directives allowing for competition amongst providers of railway services;*
- *provide for the restructuring of holding company, including the sale of land and other assets.*

To raise the absorption rates of Structural and Cohesion Funds:

Government will put in place measures, including the implementation of Law 3840/2010, the establishment of a "fast-track project production", to achieve the six-monthly targets for payment claims targets in the absorption of Structural and Cohesion Funds set down in the table below. Compliance with the targets shall be measured by certified data. The government will take steps to achieve an annual target of submitting 10 major projects applications to Commission services.

Programming period 2007-2013	Payment claims to be submitted between 2010 and 2013			
(in million of euro)	**2010**	**2011**	**2012**	**2013**
European Regional Fund and Cohesion Fund	2330	2600	2850	3000
European Social Fund	420	750	880	890
Target of first half of the year		1105	1231	1284
Target of second half of the year		2245	2499	2606
Total annual target	2750	3350	3730	3890

Government establishes a technical task force in direct contact with Commission services, to ensure rapid implementation of a) major projects in transport sectors, b) environmental projects; c) financial engineering instruments and d) public administration reform, relying on increased technical assistance.

Government shall have completed steps to ensure that budgetary appropriations for the national co-financing of Structural and Cohesion Funds are channeled to a special central account that cannot be used for any other purposes and which should be available to provide co-financing to all entities in the general government.

2. Actions for the second review (to be completed by end Q3-2010)

i. Fiscal consolidation

Rigorously implement the budget for 2010 and the fiscal consolidation measures announced afterwards, including those in this Memorandum. Progress is assessed against the (cumulative) quarterly deficit ceilings in the MEFP (including the TMU).

Government submits the draft budget for 2011 to Parliament. The budget provides information and reliable projections on the entire general government sector and targets a further reduction of the general government deficit in line with the MEFP. It includes a detailed presentation of fiscal consolidation measures amounting to at least 3.0% of GDP (4.1% of GDP, if carryovers from measures implemented in 2010 are considered), and detailed information on the situation of public enterprises.

The budget includes the following measures (in exceptional circumstances, measures yielding comparable savings could be considered in close consultation with European Commission, IMF and ECB staff):

- *Implement the rule of replacing only 20 percent of retiring employees in the public sector (central government, municipalities, public companies, local governments, state agencies and other public institutions);*
- *Reduction in intermediate consumption of the general government by at least EUR 300 million compared to the 2010 level, on top of savings envisaged in the context of reforming public administration and the reorganization of local government (see next measure);*
- *Government starts implementing legislation reforming public administration and the reorganization of local government with the aim of reducing costs by at least EUR 1500 million from 2011 to 2013, of which at least EUR 500 million in 2011.*
- *Freeze in the indexation of pensions, with aim of saving EUR 100 million;*[4]
- *Reduction in domestically-financed investments by at least EUR 1000 million, by giving priority to investment projects financed by EU structural and cohesion funds;*
- *Temporary "crisis levies" on highly profitable firms, yielding at least EUR 600 million in additional revenue per year in 2011, 2012 and 2013;*
- *Incentives to regularize land-use violations, yielding at least EUR 1500 million from 2011 to 2013, of which at least EUR 500 million in 2011;*
- *Enforce the presumptive taxation of professionals, with a yield of at least EUR 400 million in 2011 and increasing returns in 2012 and 2013;*

[4] Adjustments may be needed in case of negative inflation.

- *Broaden the VAT base by including services that are currently exempted and move a significant proportion (at least 30%) of the goods and services currently subject to the reduced rate to the normal rate, with a yield of at least EUR 1000 million;*
- *Start phasing in a "green tax" on CO2 emissions, with a yield of at least EUR 300 million in 2011;*
- *Collect revenue from the licensing of gaming: at least EUR 500 million in sales of licences and EUR 200 in royalties;*
- *Expand the base of the real estate tax by updating asset values to yield at least EUR 500 million additional revenue;*
- *Increase taxation of wages in kind, including by taxing car lease payments (at least EUR 150 million);*
- *Initiate the collection of a special tax on unauthorized establishments (at least EUR 800 million per year);*
- *Increase taxes on luxury goods by at least EUR 100 million;*
- *The budget will establish detailed expenditure ceilings for each line-ministry, local governments, and social security funds consistent with the general government deficit target. This also pertains to the medium-term fiscal framework for 2012-2013;*
- *The budget will contain indicative information on monthly revenue per category, and expenditure per Ministry. Updated figures will be regularly made available online.*

Parliament adopts modifications to the organic budget law, if necessary, to ensure that the draft budget law for 2011 onwards contains detailed information on outturn and plans of the entire general government sector – including local government, social security, hospitals and legal entities. An annex to the budget will present key figures on the financial performance of the largest public enterprises, concomitant budgetary and tax expenditures, and related fiscal risks.

ii. ***Structural fiscal reforms***

Parliament adopts legislation to improve the efficiency of the tax administration and controls, implementing recommendations provided by the European Commission and IMF. In particular, they put in place an effective project management arrangement (including tight MOF oversight and taskforces) to implement the anti-evasion plan to restore tax discipline through: strengthened collection enforcement and recovery of tax arrears (coordinated with the social security funds) of the largest debtors; a reorganized large taxpayer unit focused on the compliance of the largest revenue contributors; a strong audit program to defeat pervasive evasion by high-wealth individuals and high income self-employed, including prosecution of the worst offenders; and a strengthened filing and payment control program.

Parliament adopts a reform of the pension system to ensure its medium- and long-term sustainability. It should limit the increase of public sector spending on pensions, over the period 2010-2060, to under 2.5 percent of GDP. The reform will be designed in close consultation with European Commission, IMF and ECB staff, and its estimated impact on long-term sustainability will be validated by the EU Economic Policy Committee. The parameters of the system will ensure long-term actuarial balance, as determined by the National Actuarial Authority. The reform should include the following elements:

- *Simplification of the fragmented pension system by merging the existing pension funds in three funds and introducing a unified new system for all current and future employees. The new universally binding rules on entitlements, contributions, accumulation rules and indexation of pension rights shall be applied pro rata to everybody from 1 January 2013;*
- *Introduction of a unified statutory retirement age of 65 years, including for women in the public sector (phased in immediately after adoption), to be completed by December 2013;*
- *Gradual increase in the minimum contributory period for retirement on a full benefit from 37 to 40 years by 2015;*
- *Amendment of the pension award formula in the contributory-based scheme to strengthen the link between contributions paid and benefits received, with accrual rate limited to an average annual rate of 1.2%, and pensions indexed to prices;*
- *Introduction of an automatic adjustment mechanism that, every three years and starting in 2020, will increase the (minimum and statutory) retirement age in line with the increase in life expectancy at retirement;*
- *Extend the calculation of the pensionable earnings from the current last five years to the entire lifetime earnings (while retaining acquired rights);*