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Greece Activates its First FDI Screening Regime: What Investors Need to Know

I. Introduction

Greece has introduced and formally activated its first national Foreign Direct Investment (FDI) screening mechanism through:

- Law 5202/2025 (in force since 23 May 2025)[1], and
- Ministerial Decision 64260/2025 (published 11 November 2025)[2], which sets out the filing procedure, templates, and required documentation.

The regime aligns Greece with the EU framework established under Regulation (EU) 2019/452 of the European Parliament and of the Council[3] and significantly reshapes the regulatory environment for transactions involving foreign investors in strategic sectors.

With the adoption of the Ministerial Decision, the Greek system is fully operational and foreign investors may now submit formal screening applications to the B1 Directorate of the Ministry of Foreign Affairs, acting as secretariat of DEEAXE, i.e. the Interministerial Committee for FDI Screening.

II. FDI Regime Overview

1. Transactions and Investors Caught

The Greek FDI framework applies only when specific cumulative criteria are met, capturing both direct and indirect foreign investors and a wide range of investment structures.

More specifically, FDI screening is required when all four of the following conditions are satisfied:

1. Greek Target: The investment must concern any entity engaged in economic activity under Greek law (including companies, partnerships, joint ventures (JVs), family businesses, or individual professionals).

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[1] Law 5202/2025 - Government Gazette 84/A/23.05.2025 Adoption of measures implementing Regulation (EU) 2019/452 establishing a framework for the screening of foreign direct investments into the Union on grounds of security or public order.
[2] Joint Ministerial Decision 64260/2025 – Government Gazette 6009/B/11-11-2025 Determination of the procedure and specification of the application and required supporting documents to be submitted by the foreign investor to the B1 Directorate for Extroversion Planning and Coordination of Extroversion Bodies of the Ministry of Foreign Affairs for the inclusion of the investment under the screening mechanism.
[3] Regulation (EU) 2019/452 of the European Parliament and of the Council of 19 March 2019 establishing a framework for the screening of foreign direct investments into the Union.

2. Foreign Investor: Foreign Investor is any non-EU natural or legal person, or any EU-based investor controlled directly or indirectly by a non-EU person or government (including via ownership structure or substantial financing). In highly sensitive sectors (as described below), even 10% non-EU participation in an EU investor may trigger notification.
3. Sector: The target operates in a sensitive or particularly sensitive sector (defined below).
4. Participation Thresholds: The investor acquires or increases interests above the relevant statutory levels.

The Law also applies to cases falling under the EU cooperation mechanism (Articles 6–9 of the FDI Regulation).

2. Sensitive and Highly Sensitive Sectors

At the heart of the Greek FDI regime is a sector-based distinction between ‘sensitive’ and ‘highly sensitive’ activities, each carrying different notification thresholds.

In particular, for sensitive sectors, the notification thresholds begin at 25%. Sensitive sectors include energy, transport, healthcare, information & communication technologies, digital infrastructure. A filing is required upon reaching 25%, as well as at subsequent increases to 30%, 40%, 50%, and 75%.

For highly sensitive sectors, the thresholds begin at 10%. Highly sensitive sectors include defence and national security (including dual-use and military items), cybersecurity, artificial intelligence, port infrastructure, critical subsea infrastructure, tourism infrastructure in border areas. Further notifications are required at 20%, 25%, 30%, 40%, 50%, 60%, 70%, and 75%.

Under the law’s broad calculation mechanism, participation includes direct and indirect holdings, group entities, family-controlled entities, and, uniquely, contractual arrangements such as voting agreements, supply/buy-back/lease agreements, and public contract arrangements.

3. Exceptions

Despite its broad scope, the Law provides several targeted exemptions to ensure that purely financial or internal corporate transactions fall outside the screening mechanism. More specifically, no filing is required for:

- Pure financial portfolio investments made by natural persons (not companies) that do not confer control or influence;
- Intragroup restructurings that do not result in any increase in participation, control or influence.
- Public tenders procedures for which a binding offer was submitted before 23 May 2025 and where the relevant contracts had not been completed.

4. Filing Procedure Under the Ministerial Decision

The recently issued Ministerial Decision sets out the operational framework for filings, detailing how foreign investors must prepare and submit their screening applications.

- Submission: Applications filed with the Directorate B1 of the Ministry of Foreign Affairs in both hard copy and digital form, using the official templates. Within 5 days, the Directorate B1 verifies and inform the foreign investor whether the investment falls with the scope of the Law and whether the application file is complete.
- Transfer of file (within 10 days): Within 10 days of receiving a notification, or, in the case of an incomplete filing, within 10 days of receiving the missing information, Directorate B1 will forward the file to DEEAXE to commence the assessment of the investment, provided the transaction falls within the scope of the Law.

- Phase 1 review (within 30 days): DEEAXE must either unanimously clear the investment or initiate an in-depth review (Phase 2).
- Phase 2 (up to 90 days + possible extensions): DEEAXE conducts a substantive assessment, which may involve requests for information, activation of the EU cooperation mechanism, and hearings where appropriate.
- Final decision (within 30–60 days): Within 60 days of receiving DEEAXE's recommendation, the Minister of Foreign Affairs may approve the investment (with or without conditions), prohibits it, or order its reversal. Failure to issue a decision within 60 days results in deemed approval.

DEEAXE may also initiate ex officio reviews if a notifiable investment has not been filed.

5. Penalties and Legal Consequences

Non-compliance with the FDI screening obligations carries significant legal and financial risks, making timely notification essential for deal certainty. The Greek FDI Law imposes a broad range of sanctions that may affect both the validity and the viability of a transaction. In particular,:

- Failure to notify or notifying after closing trigger administrative fines ranging from €5,000 to €100,000. In addition, DEEAXE may initiate an ex officio investigation, which can lead to the imposition of conditions, the suspension of certain rights, or an order to reverse the investment.
- Submitting false or incomplete information can result in the prohibition of the investment, regardless of whether it has been partially or fully implemented.
- In more serious cases, such as implementing a transaction despite a prohibition decision, or obtaining clearance on the basis of inaccurate or deceptive information, the Law allows for the imposition of fines of up to twice the value of the investment.

A decision by the Minister of Foreign Affairs to prohibit an investment, or to approve it subject to specific mitigation measures, may also result in the automatic nullity (ipso jure) of the transaction or of the elements that conflict with the imposed conditions. This means that the legal effects of the transaction are considered void without the need for further administrative action.

Finally, DEEAXE has the authority to order the unwinding of completed transactions, including the restoration of the pre-transaction ownership structure, where necessary to address risks to national security or public order.

III. Strategic Intersection with Competition Law

The Greek FDI mechanism does not operate in isolation, but intersects directly with merger control rules[4] and the EU Foreign Subsidies Regulation[5], creating a multi-layered regulatory environment for cross-border transactions. As a result, the FDI regime creates a third regulatory clearance track alongside:

- Greek/EU merger control, and
- EU Foreign Subsidies Regulation (FSR).

This intersection has several important implications for transaction planning and execution:

- Parallel notifications and sequencing: Transactions in strategic sectors may require simultaneous filings under three regimes, each with distinct timelines and standstill obligations.

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[4] Council Regulation (EC) No 139/2004 of 20 January 2004 on the control of concentrations between undertakings (the EC Merger Regulation).

[5] Regulation (EU) 2022/2560 of the European Parliament and of the Council of 14 December 2022 on foreign subsidies distorting the internal market (FSR).

- Standstill risk: While FDI screening is formally suspensory (no closing before clearance), merger control prohibits implementation outright, and FSR can also delay closing. SPA drafting must integrate multi-regime closing conditions.
- Broader scope than competition law: FDI filings are triggered even without control, meaning deals below merger-control thresholds may still require screening.
- Overlap of information disclosure: Both FDI and FSR require detailed disclosure of:
  - ownership and shareholding structure;
  - state influence or funding;
  - indirect control chains;
  - group structure and affiliated entities.

  Because inconsistencies across filings can raise concerns with authorities, alignment and consistency of disclosures are critical across all regulatory submissions.
- Regulatory scrutiny in strategic sectors: Competition authorities increasingly focus on sectors such as energy, ICT, digital infrastructure, and defence-related technologies. These same sectors are now also monitored under the FDI mechanism.

IV. Practical Takeaways for Investors and Transaction Teams

Given the new procedural burdens and regulatory scrutiny, investors should integrate FDI considerations into early-stage planning to maintain execution timelines and mitigate risk.

- Build FDI screening into early-stage due diligence.
- Evaluate non-EU influence, including minority stakes and indirect control.
- Coordinate FDI filing strategy with merger control and FSR timelines.
- Update SPA conditions precedent, long-stop dates, and information covenants to reflect the new regime.
- Monitor forthcoming secondary legislation on fines and sector-specific guidance.

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