IN-DEPTH

Restructuring

GREECE

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In-Depth: Restructuring (formerly The Restructuring Review) is an insightful guide to help general counsel, government agencies and private practice lawyers understand the prevailing conditions in the global restructuring market. It examines the most significant recent legal and commercial developments and provides an overview of the restructuring and insolvency legal framework in each jurisdiction.

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Greece

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Summary

Introduction

Despite heightened international uncertainty, the Greek economy remains resilient, supported by sustained investment, improved fiscal performance, healthier bank balance sheets and the implementation of reforms under the Recovery and Resilience Facility (RRF).

Restructuring activity is increasingly shaped by a dual trend: the banking sector has largely completed the clean-up of its balance sheets, with non-performing loans (NPL) falling to historically low levels, while legacy private debt remains substantial and continues to be managed through credit servicers, out-of-court settlements and formal pre-insolvency or insolvency procedures.

Law 4738/2020 (Bankruptcy Law)[1] continues to provide the core legal framework for bankruptcy and pre-bankruptcy restructuring, while subsequent amendments have sought to improve efficiency and accelerate proceedings. Greek restructuring is therefore no longer driven solely by crisis management, but increasingly by balance-sheet optimisation, business consolidation, refinancing and investor-led turnaround strategies.

Year in review

Overview of restructuring and insolvency activity

State of the Greek economy

Greece is rated investment grade by all four major agencies: BBB by S&P, Fitch and Morningstar DBRS, and Baa3 by Moody's, all with stable outlooks or trends. In 2025, real GDP grew by 2.1%, outperforming the euro area average of 1.4%, supported by investment, private consumption and net exports. Growth is expected to moderate to 1.8% in 2026 and 1.6% in 2027, mainly because higher energy prices are expected to weigh on real disposable income and consumption, while unemployment is projected to decline to 8.3% in 2026 and 7.9% in 2027 and public debt to fall from 146.1% of GDP in 2025 to 140.7% in 2026 and 134.4% in 2027.[2]

Investment remains supported by the RRF, now in its final implementation phase, with Greece having received €24.6 billion, or 68.5% of its total €35.95 billion allocation, comprising €18.22 billion in grants and €17.73 billion in loans.[3]

The Greek banking sector also strengthened further, with Greek banking groups posting profits after tax and discontinued operations of €4.7 billion, Common Equity Tier 1 ratio of 15.3% and the Total Capital Ratio of 19.7% in December 2025.[4] Credit servicers remain central to Private Debt Management, with €91.5 billion of exposures under management at year-end 2025, 84% of which were non-performing.[5]

Impact of specific regional or global events

External risks intensified in 2025 and early 2026, mainly due to trade protectionism, geopolitical tensions in the Middle East, supply-chain disruptions and energy-market uncertainty. These factors increase production and financing costs, compress business margins and affect banks' asset quality, although the Greek economy is now better placed to absorb external shocks owing to stronger fundamentals and structural reforms.

Market trends in restructuring procedures and techniques

Corporate restructuring in Greece continues to evolve, with medium-sized businesses increasingly favouring out-of-court solutions. The wider use of the out-of-court mechanism, the active role of credit servicers and stronger lending capacity of Greek banks support negotiated recovery plans, refinancing, maturity extensions, debt write-downs and operational turnaround strategies.

The banking sector's recovery remains decisive. The decline in NPLs to 3.3% by December 2025, has strengthened banks' ability to support performing borrowers and finance transactions.[6] Additionally, a recent legislative development concerns Swiss franc-denominated mortgage loans. Article 128 of Law 5264/2025 introduced a targeted mechanism for converting eligible Swiss franc loan exposures into euros, effectively offering a haircut through improved conversion rates and fixed euro interest. The measure establishes a statutory route for addressing a long-standing category of foreign-currency loan exposure, although its scope remains limited.

Recent legal developments

Greek Bankruptcy Law comprehensively regulates bankruptcy matters and incorporates the provisions of Directive 1023/2019 (the "Restructuring and Second Chance Directive", setting minimum common standards for national restructuring and insolvency laws) into Greek law. All individual debt settlement tools previously governed by separate regimes are now integrated into the Bankruptcy Law. Subsequent amendments reflect the legislator's effort to respond to market needs and improve the framework for distressed businesses and corporate rescue.

Regulation of the insolvency practitioner profession

The insolvency practitioner undertakes the duties of the syndic or insolvency administrator and in bankruptcy proceedings, is supervised by the judge rapporteur. This profession is regulated by Presidential Decree 133/2016, according to which a natural person may be appointed as an insolvency practitioner if they have obtained the required licence.[7] Law, auditing and consulting firms may also be appointed, provided that they employ at least one certified person.

The insolvency practitioner is liable to bankruptcy creditors and the debtor for any fault, unless otherwise provided by law, and must demonstrate the diligence of a prudent insolvency practitioner. They are personally liable to third parties only for intentional fault.-[8]

Moreover, insolvency practitioners are supervised by the insolvency administration committee, which is also responsible for keeping the relevant register of insolvency practitioners, while the disciplinary board is responsible for monitoring the insolvency practitioner's appropriate conduct and for imposing statutory disciplinary measures.

Procedural changes in restructuring

The Bankruptcy Law has simplified the restructuring procedure and introduced shorter and more streamlined proceedings, as mentioned above.

General changes in insolvency procedure

Provisions regarding the debtor's duties

The Bankruptcy Law provides for two amendments regarding the debtor's duties concerning: (1) the duty of the debtor to submit, along with the bankruptcy petition, their financial data and a certificate witnessing the amounts of their debts, issued by the state, which helps the court to gain a more accurate picture of the debtor's financial situation; and (2) the appointment of the debtor as manager of the entity's assets (alongside the insolvency practitioner), regardless of filing of a bankruptcy petition.[9]

Extension of liability

The Bankruptcy Law extends liability to both the insolvency practitioner and the Board of Directors (BoD) or other management body of the entity. The insolvency practitioner is liable for any default in the performance of their duties,[10] while liability towards third parties arises only in cases of intentional fraud.[11] The BoD or other management body of the debtor may also incur liability under the circumstances described below in relation to directors' duties in situations of financial distress.

Shortening of deadlines

The Bankruptcy Law also shortened procedural deadlines, including the 10-day deadline for appeals against judge rapporteur orders and the 5-day notice period for convening the creditors' assembly.

Priority of creditors' claims

Priority of claims is regulated in articles 96 and 167 of the Bankruptcy Law, in conjunction with articles 975 to 978 of the Code of Civil Procedure. Creditors are satisfied as follows:

Concurrent creditors	Percentages of liquidation proceeds for the satisfaction of claims
Secured / claims with special privilege General privilege Unsecured	65% 25% 10%

Secured / claims with special privilege Unsecured	90% 10%
General privilege Unsecured	70% 30%

Before distribution, court expenses, estate administration expenses and collective post-bankruptcy claims are pre-deducted. The remaining proceeds are distributed among secured or special-privilege creditors, general privileged creditors and unsecured creditors in accordance with the applicable statutory allocation rules. Unpaid salaries claims of up to six months, subject to the statutory cap, enjoy super-priority. Ranking cannot be amended, as it is deemed as *jus cogens*.

Liquidation of small entities

The Bankruptcy Law provides for important amendments regarding small-scale bankruptcies (ie, the liquidation of very small companies). L4308/2014 defines very small entities as those that meet at least two of the following criteria: (1) total assets of up to €450,000; (2) turnover of up to €900,000; and (3) an average workforce of up to 10 employees. For the purposes of the small-scale bankruptcy procedure under Law 4738/2020, all three criteria must be cumulatively satisfied.

Applications are submitted to the Electronic Solvency Register, where they remain published for 30 days. If no intervention is filed within that period, or if any intervention concerns only the appointment of the insolvency practitioner, the Bankruptcy Court accepts the application and appoints the rapporteur. The insolvency practitioner is appointed either through the application or by the rapporteur. Creditors' claims must be announced within three months of publication of the court's decision.

Sales of assets subject to immediate deterioration, or depreciation may be carried out by the insolvency practitioner without the consent of the judge rapporteur. However, their free disposal requires the judge rapporteur's permission. The debtor's assets are sold under the individual-asset liquidation rules.

Discharge of debts

Debtors who are natural persons are completely discharged from their debts to the bankruptcy creditors, regardless of whether they have been announced, 36 months from the date of the declaration of the bankruptcy. This discharge period is reduced to one year if, upon the debtor's application, the bankruptcy court determines that the bankruptcy estate includes their primary residence or other fixed assets whose value exceeds 10% of their total liabilities and is not less than €100,000, excluding assets acquired in the 12 months prior to the bankruptcy petition. In such a case, any annual income of the debtor exceeding five times the reasonable living expenses will belong to the bankruptcy estate. According to this mechanism, the debts do not pass to the debtor's heirs.

The debtor's discharge does not terminate the insolvency proceedings and especially the liquidation of the debtor's assets and the distribution of the proceeds.

Legal framework

Debtors

Aiming at a holistic regulation of over-indebtedness, Greek law provides a series of insolvency and pre-insolvency procedures to which a Greek-seated company or an individual may be subject on their own initiative or at the initiative of their creditors.

The Greek legislator adopts a pro-creditor approach, as the main purpose of the insolvency is the collective satisfaction of the creditors' claims. The main processes are outlined as follows:

Bankruptcy proceedings – voluntary liquidation

Both individuals, whether merchants or not, and legal entities pursuing an economic purpose may be subject to bankruptcy.[12]

Voluntary liquidation is commenced by the debtor or, for legal persons, by its BoD or relevant management body. The debtor must file a bankruptcy petition before the multi-member court of first instance within 30 days of a general and permanent cessation of payments.[13] Cessation of payments is presumed where the debtor fails to pay obligations to the state, social security institutions or credit or financial institutions amounting to at least 40% of total due liabilities for at least six months, provided that the non-performing debt exceeds €30,000.[14]

Moreover, voluntary liquidation may be initiated anytime and in the case of a debtor's imminent inability to meet their liabilities. Consequently, the debtor's general and permanent inability to satisfy monetary obligations as they fall due may be present or imminent. In any case, present or imminent inability or likelihood of insolvency must exist at the time the bankruptcy petition is filed. Regardless of these conditions, bankruptcy will not be declared if the court finds that the assets or income of the debtor cannot cover bankruptcy's expenses.

Upon declaration of bankruptcy, the entity is placed under insolvency administration. In principle, the bankruptcy petition shall designate the proposed insolvency administrator. The court appoints a certified insolvency practitioner (syndic or insolvency administrator) to start the liquidation proceedings and manage the debtor company and the debtor's assets and liabilities. At the request of the debtor, the court may also appoint a legal entity's management body to manage the debtor company together with the syndic, or the debtor themselves, in the case of natural persons, to manage the estate, alongside the insolvency practitioner.

The court designates the date of cessation of payments, presumed to be the 30th calendar day preceding the filing of the petition, or, in cases of imminent cessation, the filing date. However, if it appears likely that the debtor has been unable to meet their monetary obligations due in a general and permanent manner from an earlier date, the court shall designate that earlier date as the day of cessation of payments. The latter cannot be more than two years prior to the date of the declaration of the bankruptcy or, in the event of the debtor's death, one year before death.

The declaration of bankruptcy has the following significant results:

- the debtor is automatically deprived of the management and disposal of their assets (state of "bankruptcy forfeiture"), while the debtor's assets that exist at the time of bankruptcy declaration are acknowledged as "non-exempt" property that is required for liquidation purposes;[15]
- any claim not yet due at that time becomes immediately payable. An exception applies only to the claims of secured creditors, which become payable on their original maturity date. Claims not yet due are reduced by the amount of legal interest corresponding to the period between the declaration of the bankruptcy and their maturity date; and
- the suspension of all individual enforcement actions and proceedings against the debtor and their legal representatives, subject to the secured-creditor rules.

Bankruptcy proceedings – involuntary liquidation

Involuntary liquidation is commenced either by any creditor with a relevant legitimate interest, in case of present cessation of payments, or, rarely, by the prosecutor for reasons of public interest. The time and procedure of filing are the same as those of voluntary liquidation.

Liquidation procedure in detail

The Bankruptcy Law provides for the immediate liquidation of the debtor's assets, aiming at their rapid return to productive uses. More specifically, the insolvency practitioner inventories the assets of the bankruptcy estate, while the debtor is invited to be present within certain deadlines. The practitioner may appoint an assistant for this purpose. Moreover, the practitioner prepares an inventory report of the debtor's total assets, which is published without delay, and informs the rapporteur about the estate's status.

Regarding the liabilities of the debtor, the latter is obliged to deliver to the practitioner a list of their creditors and their claims. The insolvency practitioner invites all creditors to lodge their claims within three months from publication of the declaration of the bankruptcy.-[16] The claims lodged must be verified by the practitioner within three months of the lodgement deadline.

After the completion of the inventory and verification procedures, the liquidation of the debtor's assets takes place. Either the debtor's business in whole or in part, in cases of integrated operative units or individual assets, are subject to liquidation.

The liquidation of the debtor's business in whole or in part requires an application or additional intervention, by 30% of the creditors, including 20% of secured creditors. This process applies only where the debtor is a legal entity and the proceeding does not concern small-scale bankruptcy.

The liquidation is conducted through a public e-auction, without a minimum price, and is administered by a notary public. Within 10 working days of the end of the e-auction, the insolvency practitioner draws up a report, naming the bidder. Within one month of the e-auction, the creditors' assembly convenes without delay at the invitation of the insolvency practitioner to either approve or reject the transaction.[17] In cases of approval, the sale contract is concluded between the insolvency practitioner and the bidder. In cases of rejection and if no further resolution is concluded by the assembly, the liquidation of the debtor's individual assets takes place. If the liquidation has not been completed within 18 months of the declaration of bankruptcy, the practitioner shall proceed to the liquidation of the individual assets as well. In such case, the assets of the bankruptcy estate are sold separately through an e-auction. The judge rapporteur shall grant their consent for the transfer of the debtor's real estate. Following the liquidation, the proceeds are distributed to the bankruptcy creditors in accordance with the provisions regulating priority of claims.

Restructuring procedure – pre-bankruptcy proceedings

The restructuring procedure is a collective pre-bankruptcy procedure that aims to maintain, rehabilitate, restart and rescue an entity's business as a going concern, while safeguarding creditors' interests. The restructuring procedure applies to every person who carries out business activity and has their main interests in Greece. If the latter is or is likely to become unable to meet their monetary obligations due in a general way, or even if there is a likelihood of insolvency,[18] the creditors' compromise agreement ("pre-pack deal" or "restructuring agreement") may be submitted for ratification before the competent court.-[19] This agreement must be approved by the debtor and creditors, representing more than 50% of the affected claims with special privilege and more than 50% of the other affected claims. The debtor's consent is not required where the debtor is in cessation of payments, and the statutory conditions are met. The restructuring agreement must be accompanied by a business plan with a duration equal to the duration of the agreement.

The agreement must be structured without impairing the collective enforcement by all creditors. Namely, the restructuring (1) must not leave the non-participating creditors in a worse position, in terms of satisfaction of their claims than they would be in a bankruptcy process and (2) must not oblige the non-participating creditors who are owners of assets or assignees of claims and have the right to satisfy their claims against the debtor through such assets, to receive less than they would have received or will receive by exercising their contractual rights relating to such assets.[20]

From the date of the pre-pack deal submission until the issuance of the court's decision, all enforcement actions against the debtor are automatically suspended for a maximum period of four months, after the lapse of which suspension is allowed only through a court decision ordering interim measure. The commencement of the suspension is registered with the Electronic Solvency Register. The court may also order preventive measures, which may be modified or extended within the statutory limits, while separate pre-filing preventive measures may also be granted. Furthermore, the disposal of the debtor's assets is prohibited, unless replaced by others of at least equal value or used as collateral for interim financing, as provided for in the restructuring agreement.

The court decision that rejects the restructuring agreement is subject to appeal before the competent court of appeal. An innovative provision of the Bankruptcy Law states that both automatic suspension and any further provisional measures may take place only once, even before submission of the creditors' compromise agreement for ratification on request of the debtor or one of the creditors if (1) the petitioner produces a written declaration signed by creditors representing at least 20% of the total claims and (2) the conditions of an emergency or imminent danger of the parties are met. Such measures shall be in force until the submission for ratification of the pre-pack deal and in any case for four months from the court's respective order. No extension of such measures shall be ordered.

Creditors may also submit a pre-pack deal, without the debtor's consent, if (1) such a deal is executed by 50% of the creditors, including 50% of secured creditors, and (2) the debtor is under present cessation of payments.

If the agreement has been approved by the debtor and the creditors, the court ratifies the agreement, when the following conditions are cumulatively fulfilled:

- it is probable that the restructuring agreement ensures the entity's sustainability in a reasonable manner;
- it is probable that the principle of non-deterioration of the creditors' position is met;
- the restructuring agreement is not the result of fraudulent behaviour and does not violate the provisions of mandatory law and, in particular, those of Competition Law;
- creditors in the same position are treated in line with the principle of equal treatment. Deviations from this principle are allowed only for important business or social reasons, which must be expressly stated in the Court decision. Deviations are also allowed if the affected creditor consents; and
- the debtor consents to the agreement concluded only by creditors.

Furthermore, the Bankruptcy Law introduces a new role for the special mandator. The court may also appoint a special mandator at the request of the debtor or one of the creditors, who is responsible, inter alia, for the safeguard of debtor's property, the execution of special managerial acts, the signing of executory contracts of the restructuring agreement and the supervision of the implementation of the agreement's individual terms.

The most critical function of the special mandator is that, in the case of a pre-pack deal resulting from the present cessation of payments, the special mandator is entitled to substitute any shareholder or stakeholder in the respective meetings if such a shareholder or stakeholder does not participate and blocks the approval of actions required under the pre-pack deal either after its submission or as condition precedent.[21] The same right applies in all other cases of a pre-pack deal ratification if abstention or negative voting by the shareholder or stakeholder is a result of abusive behaviour.

Extrajudicial debt settlement (pre-bankruptcy proceeding)

The Bankruptcy Law reforms the out-of-court procedure,[22] previously regulated by L4469/2017, later amended by L5024/2023 and recently by L5193/2025. The debtor may apply if total debts to the state, social security institutions and financial institutions are at least €10,000. Natural or legal person that have applied for or initiated a pre- or post-bankruptcy proceedings, special administration or liquidation, or have been irrevocably convicted of specified financial offences, are excluded. Certain regulated financial entities are also excluded. Moreover, debtors with current obligations must show a deterioration of their financial position by at least 20%. Debtors who have applied to under

L4469/2017 cannot apply for this procedure unless they have withdrawn their previous application under the former law within the prescribed deadline.

The petition is submitted via the electronic platform of the Special Secretariat for Private Debt Management.[23] If the settlement is initiated by creditors, an invitation to file the petition within 45 calendar days is notified to the debtor. The petition must include, inter alia, lists of creditors, assets and encumbrances, affiliated persons, financial statements and certificates.[24]

The extrajudicial settlement is a multilateral negotiation among the debtor, the creditors, the state and the social security institutions, which takes place via the aforementioned platform managed by the Ministry of Digital Governance, in cooperation with the Special Secretariat for Private Debt Management, and must be concluded within two months of the submission of the petition. If the debtor defaults, each participating creditor may terminate the agreement, reinstating the debtor's liabilities to that creditor.[25]

From submission until proceedings' termination, enforcement measures, continuation of enforcement proceedings and the criminal prosecution for the offences of being in debt to the state, third parties and to social security institutions are suspended.

After the petition is submitted, the creditors may submit a restructuring proposal to the debtor. If the debtor and the majority of participating creditors by claim value consent, an agreement is reached, subject to statutory restrictions.[26]

A subsidy may be granted to vulnerable debtors under specific conditions if the restructuring agreement includes a loan secured over the debtor's primary residence.

Following L5193/2025, the consent of all creditors, including financial institutions, the state and social security institutions, is deemed to exist in respect of the creditors' counterproposal for debtors whose income and asset criteria do not exceed twice those applicable to vulnerable debtors,[27] provided that their overdue debts to financial institutions do not exceed €300,000 and have been overdue for at least 90 days.[28]

Early warning mechanism – pre-bankruptcy proceeding

The Bankruptcy Law introduces an electronic early monitoring mechanism, which is supervised by the Special Secretariat of the Private Debt Administration, dividing debtors into three levels of insolvency risk, and designed to detect potential circumstances of insolvency in advance. This mechanism is activated at the request of the debtor concerned, and the supervisory authority issues opinions and proceeds with suggestions to deal with the insolvency risk as appropriate.

Compulsory administration under the Code of Civil Procedure

The Code of Civil Procedure allows the court to impose a special administration on the debtor's real estate or business, upon a creditor's petition, provided that the creditor's claim has been judicially recognised and the creditor holds an enforceable title.[29] The court's decision is subject to appeal. The court appoints an administrator, who may also be the debtor or creditors if this serves the management of the property or business.

The compulsory administration is terminated *ipso jure* if the debtor is declared insolvent. This procedure is not acknowledged as an insolvency or liquidation procedure, but as an alternative means granted to the creditor to satisfy their monetary claim.[30]

Nonetheless, in 2013, a large construction company was the first ever debtor to be placed under compulsory administration, following the respective petition of a minority creditor.-[31] As the court held, courts may refuse compulsory administration where compelling reasons exist.[32]

Individuals

As aforementioned, the Bankruptcy Law stipulates that non-merchant individuals are eligible for bankruptcy as well.

Attempting to resolve a serious social issue, the Bankruptcy Law introduces a mechanism for protecting the primary residence of vulnerable distressed debtors, who are determined on the basis of objective criteria, whereas such mechanism provides for the sale and lease back of the primary residence.[33] More specifically, the main protection mechanism is as follows: (1) if the debtor is declared bankrupt; (2) if foreclosure proceedings are initiated against their primary residence by a mortgage lender or a creditor with an equivalent claim; or (3) if the debtor has entered into a restructuring agreement under the out-of-court debt settlement mechanism, then they are entitled to submit an application for the transfer of ownership of the property and subsequently lease it back for a period of 12 years.

Informal methods to restructure companies in financial difficulties

Informal restructuring methods in Greece usually include:

- amendments to debt repayment schedule, often combined with enhanced security for lenders and urgent additional financing;
- standstill agreements, suspending debt repayments to banks and bondholders while financial and operational restructuring terms are negotiated; and
- financial and operational restructuring agreements, based on a lender-approved business plan and a management team approved by the participating lenders.[34]

The above transactions ideally involve the participation of existing major shareholders, occasionally through new equity contributions, or of an investor capable of further enhancing debtor's management efficiency, capital structure and credibility.

Other laws relevant to insolvency and restructuring

The taking and enforcement of security

The Bankruptcy Law rendered Greece a more creditor-friendly jurisdiction, mainly through creditor-led pre-packs, shorter deadlines and the special mandator's power to substitute obstructive shareholders or stakeholders, where required for implementation.

Moreover, corporate financing is mainly bank-led and usually secured by mortgages over immovable assets or fixed/floating charges over movable assets, especially inventory and equipment. Claims arising from financing connected with a restructuring plan benefit from statutory priority.

Following the announcement of the creditors' claims and their verification by the judge rapporteur and the insolvency practitioner, the latter realises the company's (unencumbered and encumbered) assets. Proceeds are distributed under the Code of Civil Procedure, unless otherwise provided by the Bankruptcy Law (see "Priority of claims"). Creditors with general preferred privileges rank ahead of unsecured creditors,-[35] while creditors holding security over specific assets benefit from special privileges over the relevant proceeds. Unsecured creditors are satisfied last. Nonetheless, before any distributions to the aforementioned classes, bankruptcy expenses, expenses concerning the management of "non-exempt"[36] property and claims of collective creditors must be paid in full.[37]

Duties of directors of companies in financial difficulties

In Greece, directors' duties fall into two main categories: duties relating to the payment of the entity's tax and social security obligations, and duties relating to the initiation of bankruptcy proceedings.

With regard to the first category, if the entity fails to withhold, collect or pay income tax, VAT, unified property tax or its respective share of social security contributions and any surcharges, the directors, administrators, executive managers and the insolvency practitioner of a legal entity are rendered jointly and severally liable for payment of such taxes and contributions under the following cumulative conditions:

- the above individuals must bear the above capacities either during the operation of the legal entity or at the time of entity's dissolution, merger or winding up;
- the monetary obligations of the company fell due during their term of office under the aforementioned capacities; and
- the monetary obligations remain unpaid with regard to the state as a result of the liability of the above persons.

This joint and several liability arises at the date of liquidation or merger or acquisition of the liable company.

The second category of duties refers to the prompt and timely initiation of the bankruptcy proceedings by the company's directors. The Bankruptcy Law envisages the joint liability of directors, as well as of those who exercised undue influence on them, if they fail to promptly file a bankruptcy petition, within 30 days from the date on which the company becomes unable to pay its liabilities, as they fall due. Such liability entails the restitution of creditors for damages arising from the reduction of the insolvency proceeds.

Similarly, joint liability is attached to the company's directors if the cessation of payments is a result of a fraudulent or grossly negligent act.

Criminal liability against the company's directors is also established where the latter defraud creditors, conceal or fraudulently transfer assets of the company, dispose of inventory at very low prices, make false declarations or diminish the value of the company's assets.

Clawback actions

Fraudulent exploitation of the debtor's assets is also avoided through the annulment of specific transactions that took place in the statutorily determined suspect period. The suspect period includes transactions carried out within the time period from the cessation of payments until the declaration of bankruptcy.

The Bankruptcy Law distinguishes between transactions that must be annulled and those that may be annulled. Mandatory annulment applies to certain transactions entered into during the suspect period, including gratuitous acts, undervalue transactions, payment of unmatured debts, payment of due debts by non-agreed means and security granted for pre-existing debts where no prior obligation existed.

On the contrary, the insolvency practitioner may annul transactions, where the counterparty knew or could have known the detriment to creditors.

Similarly, if the company entered transactions with the intent to defraud creditors or benefit other creditors within five years prior to the declaration of bankruptcy, these transactions may be annulled, provided that the other party knew of the company's intent.

Transactions that took place during the execution of an extrajudicial settlement agreement or a restructuring agreement are explicitly exempted from such revocation. Certain transactions are exempt, including ordinary-course and arm’s-length transactions, immediately paid equivalent exchanges, transactions necessary for restructuring negotiations, certain bank security arrangements, bond-loan or receivables-security structures and security granted in PPP contexts.

Significant transactions, key developments and most active industries

Value and significance of the transactions

The value of distressed deals is difficult to assess, as the legal process typically involves the partial sale of the balance sheet for the assumption of liabilities.

Casino Loutraki

On 12 July 2024, the decision issued by the multi-member court of first instance of Corinth was published, ratifying the restructuring agreement of the consortium operating the Loutraki Casino. The restructuring plan was co-signed by the debtor and creditors, whose claims represent 90.74% of all claims affected by it, including 64.41% of the specially secured claims and 95.35% of the unsecured. Through the application of the restructuring provisions, the continuation of the business was ensured along with the satisfaction of all creditors’ claims. On 20 September 2024, the company announced that it completed payment of the €28 million advance payment provided for under the restructuring agreement.

Elefsina Shipyards

In October 2023, the multi-member court of first instance of Athens ratified the restructuring agreement and investment plan regarding Elefsina Shipyards, a key player in the Greek maritime and shipbuilding sector. The restructuring plan was signed in November 2022 between the Greek government, the new owner, ONEX Elefsis Shipyards, and other involved parties. Additionally, the US International Development Finance Corporation signed a bond loan financing agreement of US$125 million.

The restructuring agreement for Elefsina Shipyards included the following basic terms:

- a direct investment of US$100 million;
- securing all existing jobs (600);
- allocation of debts and compensations amounting to €13.4 million to employees;
- creation of 400 new jobs within the next three years;
- additional revenue of €1.1 billion for the Greek state within the next 25 years; and
- a notable boost to the Greek economy with more than €1.6 billion directed to domestic suppliers and the Greek industry.

Intralot

Intralot is a Greek publicly listed company on the Athens Stock Exchange that operates in the gambling and gaming technology market. In August 2021, Intralot concluded an agreement with its bondholders for restructuring its loans, with indirect haircut, maturity extension and the exchange of bonds for new ones and shares of a subsidiary.

Intralot subsequently completed a major transformation of its capital and business structure. In October 2025, it completed the acquisition of Bally’s International Interactive business for an enterprise value of €2.7 billion, with Bally’s becoming the majority shareholder of Intralot with a 58% equity interest. The transaction was supported by a €429 million share issue and new debt financing, while Intralot also repaid in full its €100 million 2024 bond loan.

Notos Com Holdings

Notos Com Holdings operates department stores in Greece. Due to its financial distress, Notos entered restructuring in 2018, which was supported by Pillarstone, an NPL platform backed by KKR. The deal was the first of its kind in Greece after the government reformed laws to better protect international investors and was concluded after months of negotiations with the four systemic banks of Greece. The banks and Pillarstone invested €25 million in new funds, while the firm's majority owner, Michalis Papaellinas, also invested. The restructuring plan included, inter alia, employee reduction and the partial transfer of the Notos Home activities to the store at Stadiou & Aiolou Street, while one of the firm's central stores located in Kotzia Square in Athens was closed after operating for

15 years. In May 2026, Notos announced that the said store at Stadiou & Aiolou will cease operations on 31 August 2026.

Folli Follie

The company submitted for ratification to the multi-member court of first instance of Athens the restructuring agreement with its creditors to settle its significant and avoid bankruptcy. For the first time since the implementation of the new Bankruptcy Law, the court's decision ratified under certain conditions a restructuring agreement, while providing for a haircut of 68% of the company's total debts. Furthermore, the court's decision stated that the restructuring agreement and the business plan are realistic and feasible and the financial loss of the creditors would be greater in the event of bankruptcy. However, bondholders have still not received compensation, largely owing to continuing legal complications and asset-freezing issues. The case remains active, as appeal proceedings in the wider Folli Follie scandal are ongoing.

Restructuring techniques used

As traditional restructuring methods may not always adequately address the needs of distressed companies in the Greek market, debtors and their creditors resort to more sophisticated solutions, depending on the nature and size of their business. Specifically, large companies listed on the Athens Stock Exchange have in some cases opted to go private, through acquisitions by strategic investors. Medium-sized companies have increasingly used techniques such as debt-to-equity conversion and debt forgiveness agreements. In such cases, the banks, which usually hold the largest portion of their debts, often assume a leading role in the restructuring process before seeking potential investors. More advanced tools, such as debt push-ups, or even the creation of new group structures with lower debt levels or the consolidation of existing players in each sector, are also used to rescue viable businesses and recover part of the existing debt.

Distressed industries and market trends

Distress in Greece is no more sectoral (as it used to be during the Greek economic crisis period), it is more case-specific. Capital-intensive and highly leveraged businesses remain more exposed to restructuring risk, particularly where they face high energy, labour and financing costs, squeezed margins or limited access to working capital. Retail and supermarkets have shown resilience, although operating costs and margin pressure remain relevant, while construction has benefited from investment activity despite higher material costs and interest-rate pressures.

International

The principles of unity and universality pervade the rationale of Greek law,[38] as applied in insolvency proceedings initiated in Greece.[39] At EU level, cross-border insolvency proceedings are currently governed by Regulation (EU) 2015/848. Similarly, UNCITRAL Model Law on Cross-Border Insolvency was implemented through L3858/2010.

Greek jurisprudence on international insolvency cases remains limited. Under article 81 of the TFEU and articles 7 and 35 of L3858/2010 on cross-border insolvency, the Greek courts must cooperate with foreign courts or foreign insolvency administrators directly or through such administrators. Similarly, the Greek courts are entitled to communicate directly with, request information or judicial assistance from foreign courts or foreign insolvency administrators or coordinate cross-border insolvency proceedings with other participating states

Outlook and conclusions

The amendments to the restructuring procedure follow European trends and the current needs of the Greek market. For the first time, following the implementation of the new Bankruptcy Law, creditors may file a pre-pack without the debtor's consent where the debtor is in present cessation of payments. This is a crucial provision, as it allows creditors to pursue the rescue of viable businesses, despite their permanent cessation of payments. It would be useful to consider whether the law should extend this right also to debtors with imminent cessation of payments, as this could help creditors who are "trapped" owing to misleading practices by their debtors. As regards debtors with imminent cessation of payments, the possibility to impose a pre-pack deal remains subject to the debtor company's governing body agreeing with its creditors on a restructuring plan. If this is achieved, then the major shareholders of the debtor cannot block the implementation of the relevant agreement, since they can be by-passed through the appointment, by the court, of a special mandator voting in their place (eg for a debt-to-equity conversion) at the debtor's General Assembly.

The proposal to extend the scope of the procedure should not be confused with the bankruptcy proceedings, under which only the debtor may file a bankruptcy petition on the grounds of imminent cessation of payments. This distinction lies at the heart of restructuring, whereby creditors grant viable businesses with a second chance to recover and grow further through a sound business plan and more efficient management.

Moreover, the abolition of the special liquidation procedure underscores the importance of the special administration procedure. Further amendments could be considered to enhance its practical role, including (1) granting the debtors the right to file for special administration, which is currently creditor-driven, and (2) extending the special administration's scope to include imminent cessation of payments or likelihood of insolvency as conditions for the initiation of such procedure. Finally, the acceleration of pre-bankruptcy tools improves the prospects of restructuring viable distressed businesses and attracting investors.

Endnotes

1 Entered into force on 1 March 2021, the new Bankruptcy Law 4738/2020 ("Law on debt settlement and facilitation of second chance") transposed the provisions of EU Directive 2019/1023 on preventive restructuring frameworks, on discharge of debt and disqualifications and on measures to increase the efficiency of procedures concerning restructuring, insolvency and discharge of debt. The new Bankruptcy Law replaced and abolished L3588/2007, as well as the vast majority of the pre-existing debt settlement and restructuring mechanisms mentioned in L4307/2014 on special administration and L3869/2010 on indebted households. ^ Back to section

2 More analytically on https://economy-finance.ec.europa.eu/economic-surveillance-eu-member-states/country-pages-including-country-reports/greece/economic-forecast-greece_en. ^ Back to section

3 More analytically on https://greece20.gov.gr/en/commission-disburses-e1-18-billion-to-greece-under-nextgenerationeu/ and https://ec.europa.eu/commission/presscorner/api/files/document/print/en/ip_23_5914/IP_23_5914_EN.pdf. ^ Back to section

4 More analytically on https://www.bankofgreece.gr/Publications/FINANCIAL_STABILITY_REVIEW_EXECUTIVE_SUMMARY_MAY_2026.pdf. ^ Back to section

5 ibid. ^ Back to section

6 More analytically on https://www.bankofgreece.gr/en/news-and-media/press-office/news-list/news?announcement=be7a07e2-90df-4d57-bcb3-0f8258f05466 . ^ Back to section

7 To participate in the relevant national examinations and obtain a licence, an individual must have exercised a legal, audit or accountant class A profession for at least 10 years. ^ Back to section

8 Any claim against the insolvency practitioner is prescribed three years after the injured party became aware of the damage and the event giving rise to it. In any event, such claims are time-barred three years after the termination of the practitioner's duties. Liability under the provisions of the tort law is not excluded. ^ Back to section

9 In fact, the only criterion is whether such an appointment is in the creditors' interests. ^ Back to section

10 The insolvency practitioner is similarly liable for agents used if they were not entitled to appoint them. Otherwise, the insolvency practitioner's liability is limited to the appointment of such a person and the directions provided. ^ Back to section

11 Liability under the provisions of the tort law is not excluded. ^ Back to section

12 On the contrary, legal entities governed by public law, local government bodies and public sector institutions are not eligible for bankruptcy. ^ Back to section

13 The debtor must also submit their financial statements, if applicable, for the latest available fiscal year, as well as certificates witnessing the amounts of their debts, issued by the state. Otherwise, the petition will be dismissed as inadmissible. ^ Back to section

14 The selective fulfilment of monetary obligations due does not lift the state of cessation of payments, which might consist of the failure to meet even one significant financial debt. Such a presumption is deemed rebuttable. ^ Back to section

15 This includes all the assets belonging to the debtor, irrespective of their location. ^ Back to section

16 The claims of the state shall be announced at any time up to the drafting of the final distribution board. The deadline for the lodging is suspended from 1 to 31 August. Creditors who have not lodged their claims within the aforementioned deadline and thus cannot participate in the verification process may file an appeal at their own expense within the deadlines provided by the law and request the verification of their claims from the Bankruptcy Court, which adjudicates in accordance with the provisions governing non-contentious proceedings. ^ Back to section

17 In cases of approval, the sale contract is concluded between the insolvency practitioner and the bidder. In cases of rejection and if no further resolution is concluded by the assembly, the liquidation of the debtor's individual assets takes place. If the liquidation is not completed within 18 months of the declaration of the bankruptcy by the court, the practitioner shall proceed to the liquidation of the individual assets through an e-auction as well. ^ Back to section

18 Estimated as such by the court. ^ Back to section

19 The competent court is the multi-member court of first instance in the district where the debtor has their main interests and adjudicates through the process of voluntary jurisdiction, subject to special provisions. Its decisions are not subject to ordinary legal remedies unless otherwise provided. ^ Back to section

20 These two conditions constitute the core elements of the principle of "non-deterioration of the creditors' position”. ^ Back to section

21 The special mandator shall exercise the aforementioned rights granted that the shareholder's declared abstention or negative voting impairs the quorum and majority percentages. ^ Back to section

22 As stated in point 5 of the explanatory memorandum to the Bankruptcy Law, this ”out of court work out” (OCW) can act in many cases as the first opportunity to prevent financial vulnerability and over-indebtedness. ^ Back to section

23 The platform first became operational on 1 June 2021. The out-of-court debt settlement mechanism continued to gain practical significance, reaching 50,710 successful settlements by the end of 2025, corresponding to initial debts of €15.7 billion. The April 2025 reforms increased monthly settlements and raised the monthly approval rate to 80%. ^ Back to section

24 The required documents differ depending on whether the petition is submitted by a natural or a legal person. ^ Back to section

25 The termination of the agreement results in the reinstatement of the debtor's liabilities to the creditor concerned. ^ Back to section

26 For instance, the repayment of debts to the state and social security institutions in more than 240 instalments cannot be agreed. ^ Back to section

27 Such debtors are not classified as vulnerable debtors and are therefore excluded from the special protections afforded to vulnerable debtors. ^ Back to section

28 Despite the amendments introduced, attempted to make the out-of-court mechanism more attractive to a broader range of debtors, the €300,000 cap on overdue debts has been criticised as ineffective. Debtors whose principal loan was significantly below the threshold but substantially exceeded it due to accrued default interest may nevertheless fall outside the scope of the provision. ^ Back to section

29 The competent court is the single-member court of first instance of the region where the debtor's property or registered seat of their business is located. ^ Back to section

30 In practice, special administration appears to be of limited practical significance. ^ Back to section

31 Decision No. 5461/2014 of the single-member court of appeal of Athens. ^ Back to section

32 Compelling reasons are those that render the administration unprofitable, where the business' operation and success are closely related to the personal reputation and contribution of its managers or partners, or where the business' operation falls within the provisions regarding the protection of trade secrets. ^ Back to section

33 This is not an insolvency or restructuring procedure, but rather a social policy measure. ^ Back to section

34 Such agreements include various components, such as (partial) debt-to-equity conversion, refinancing of the debt that is agreed as sustainable, taking of a new enhanced participating lenders' security package and new working capital financing, for supporting or restarting the debtor's operation and growth. They may include negotiations with the employees and suppliers and agreement on certain payment arrangements in respect of outstanding amounts. ^ Back to section

35 General privileges include financing of the debtor for its continuing operations, claims arising from the contribution of goods and services to the debtor, based on the restructuring plan, even those that were granted maximum six months prior to the date of submission of the restructuring agreement for ratification; if the debtor is an individual, costs and expenses for their funeral, hospitalisation, daily necessities, claims from dependent employment agreement, periodical fees for services that arose within two years prior to the filing of bankruptcy, lawyers' fees, value added tax claims, taxes, pension fund claims and any claims of the state and the prefectures. ^ Back to section

36 ”Non-exempt” property refers to the bankrupt company's assets as of the date of the bankruptcy's declaration. ”Exempt” property refers to such company's assets that are statutorily exempted from liquidation, such as necessities, family rights, the debtor's personality and their ability to work, rights that are strictly connected to their person (such as the right to use their name, to accept or waive inheritance rights, etc.). ^ Back to section

37 Collective creditors are the creditors whose claims arose out of the insolvency practitioner's actions in connection with the bankruptcy proceedings. ^ Back to section

38 Both the Bankruptcy Law and the Civil Procedure Code incorporate the principles of unity and universality. In particular, article 780 of the Civil Procedure Code sets out the requirements for the recognition of foreign judgments, namely that (1) the judgment must have applied the substantive law designated by the Greek rules of private international law and must have been issued by a court having jurisdiction under the law whose substantive rules it applied, and (2) the judgment must not be contrary to public morality or public order. On the contrary, EU Regulation 2015/848 provides for a more simplified recognition procedure, according to which the declaration of bankruptcy from the competent foreign courts is automatically recognised in other foreign courts, starting from the date of such a declaration's legal effects. ^ Back to section

39 The principles of unity and universality mean that the insolvency proceedings, whether concerning individuals or legal entities, constitute a single collective procedure governed by the law of the jurisdiction in which such proceedings are initiated, while any creditor, regardless of residence, may participate therein. ^ Back to section

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