

Athens 9/12/2007

From: LIBERAL ALLIANCE
Vasilissis Sofias 124A
115 26, Athens
Greece

To: The European Commission
Commissioner Charlie McCreevy,
rue de la Loi 200
B-1049 Bruxelles
Belgique

Cc: The President of the European Commission Mr. José Manuel Barroso

Subject: Restriction on the movement of capital in Greece, infringement of Article 56(1) EC

Dear Commissioner

Liberal Alliance is a new political party fighting for free market, open society and respect of the rights of the individuals. As political party expressing the voice of our voters we consider that we have the legitimate interest and the obligation to inform you about the infringement of the Community Law resulted by a new law proposed by the Greek government to the parliament.

The draft law specifies the following:

- In the case of companies (S.A.s) of national strategic importance, especially when they own or manage national infrastructure networks, the acquisition of voting rights in such companies, through the 20% of the share capital or more, requires the approval of the Inter-ministerial Privatizations Committee. This approval is granted if certain criteria, as specified by the new legislation, are fulfilled in order to protect the public interest.

- Certain decisions of great strategic importance within these companies pertaining to issues mentioned in the new legislation should be approved by the Minister of Economy and Finance so that the public interest is safeguarded.

The full text of the draft law is attached to this letter in Greek. The comments of our party on its provisions are the following:

- The draft law is a national measure for the purposes of the free movement of capital.
- By requiring a governmental approval for the acquisition of voting rights more than 20% of the share capital of private companies, this situation is liable to deter direct investors from other Member States and constitutes a restriction on the movement of capital within the meaning of Article 56(1) EC.
- These provisions are not within the limits set by the Treaty and do not respect the principle of proportionality, which requires that the measures adopted be appropriate to secure the attainment of the objective which they pursue and not go beyond what is necessary in order to attain it. For example it cannot be justified why, in order to protect the public interest, it is appropriate or necessary to introduce these restriction on the movement of capital in order to give to the State the ability to exercise a greater level of influence than would normally be linked to its investment.

Consequently, it must be held that, by approving the draft law and maintaining it in force, the Hellenic Republic fails to fulfil its obligations under Article 56(1) EC and we call the European Commission to take the necessary actions.

Sincerely yours

Fotis Perlikos

President of the Liberal Alliance

annex: the draft law