



Strasbourg, 15 February 2008

Public
Greco RC-II (2007) 14E

Second Evaluation Round

Compliance Report on Greece

Adopted by GRECO
at its 36th Plenary Meeting
(Strasbourg, 11-15 February 2008)

I. INTRODUCTION

1. GRECO adopted the Second Round Evaluation Report on Greece at its 26th Plenary Meeting (9 December 2005). This report (Greco Eval II Rep (2005) 6E) was made public by GRECO, following authorisation by the authorities of Greece, on 13 December 2005.
2. In accordance with Rule 30.2 of GRECO's Rules of Procedure, the authorities of Greece submitted their Situation Report (RS-Report) on the measures taken to implement the recommendations on 5 November 2007. The information made available appeared to be insufficiently detailed and specific; therefore, the Bureau of GRECO agreed to give additional time to the Greek authorities to complement the Situation Report and postponed the discussion of the Compliance Report (RC-Report) to GRECO 36. Despite two consecutive deadlines for the submission of the requested additional information (7 December and then 16 January) and a formal reminder, the Greek authorities did not take advantage of the extra time. The present RC report is thus based on the initial, rudimentary information contained in the RS-Report, complemented with elements of comments submitted during the drafting process and the plenary discussion.
3. At its 26th Plenary Meeting (5-9 December 2005), GRECO selected, in accordance with Rule 31.1 of its Rules of Procedure, Armenia and Spain to appoint Rapporteurs for the compliance procedure. The Rapporteurs appointed were Mr Karen GEVORGYAN on behalf of Armenia and Ms Elsa GARCIA-MALTRAS on behalf of Spain. The Rapporteurs were assisted by the GRECO Secretariat in drafting the Compliance Report (RC-Report).
4. The objective of the RC-Report is to assess the measures taken by the authorities of Greece to comply with the recommendations contained in the evaluation report.

II. ANALYSIS

5. It was recalled that GRECO in its evaluation report addressed 10 recommendations to Greece. Compliance with these recommendations is dealt with below.

Recommendation i.

6. *GRECO recommended to review the application of the existing provisions on tracing, seizure and confiscation of corruption proceeds and, where appropriate, to provide adequate training, as well as to increase the resources available with a view to strengthening the efficiency of financial investigations.*
7. The authorities of Greece stress that the existing framework on tracing, seizure and confiscation of corruption proceeds already ensures the efficiency of financial investigations, but that there is always room for improvement. Therefore, to further streamline and strengthen the relevant rules in subsequent legislation, Law 3560/2007 on the ratification of the Criminal Law Convention on Corruption (ETS no. 173) contains an article 12 providing that the tracing, seizure and confiscation measures available for terrorist offences – the use of which is facilitated by the law - are also applicable in relation to corruption offences. Moreover, by virtue of Law 3424/2005, the Greek financial intelligence unit (the “National Authority for the combating of money-laundering”) was established as a separate independent entity and provided with permanent staff; it enjoys wide-ranging powers to trace and seize the proceeds of money laundering activities, including corruption proceeds (bribery offences being predicate offences for money laundering purposes).

8. The authorities of Greece also indicate that prosecution and enforcement authorities continue to provide their staff with training on financial crimes, with particular emphasis on corruption issues, including the tracing, seizure and confiscation of the proceeds of such crimes. The Special Investigations Service¹ (SIS), the primary anti-corruption unit continues to organise weekly seminars on practical matters of anti-corruption enforcement, where questions of detection, seizure and confiscation figure prominently. The Police Academy also conducts regular seminars on the matter as part of the formation and training of personnel transferred to financial crimes units and as a precondition for promotion to managerial positions, often inviting members of the Special Investigations Service to lecture on their experience. Special courses on financial crime, including the bribery offences, are also included in the regular curriculum of the Police Academy at officer-entry level. Since 2004, the National School for Judges and Prosecutors has included in its curriculum for new recruits a course on financial crime and money laundering, which also covers questions of both domestic and foreign bribery; a new course was added in 2007 on corruption of public officials with particular emphasis on the OECD Convention on combating bribery of foreign officials in international business transactions and the CoE Criminal Law Convention on Corruption. Moreover, two new seminars, on “Bribery of foreign public officials” and “Transparency and corruption, with special emphasis on money laundering”, are regularly available for serving judges and prosecutors.
9. The Greek authorities also indicate that the Ministry of Justice has initiated a major reform with the drafting of a new Criminal Code and a new Code of Criminal Procedure. Drafting committees have been set up (they involve judges, prosecutors, academics, practitioners) and work has already started. The provisions on seizure and confiscation will be reviewed in this context. The extension to all corruption offences of the mechanisms available for terrorism financing (article 12 of Law 3560/2007) are a short term solution, pending the adoption of new codes. The measures of article 12 are centrally-coordinated and quicker, with short deadlines for implementation: for instance, instead of going to the general public prosecutor to request the lifting of bank secrecy, the request is handled by the Public Prosecutor permanently attached to the Special Investigations Service. In addition, the freezing of assets may be ordered by the President of the FIU rather than going through the general Public Prosecutor’s channel, which inevitably takes more time (see also recommendation ii).
10. GRECO takes note of the information provided. It recalls that this recommendation was meant to address a variety of issues which were raised in the Second Round Evaluation Report: lack of harmonisation of legal provisions and lack of clarity about the possibility to seize and confiscate instruments of corruption; acknowledged need – by the Greek authorities – to review certain provisions; powers to trace and seize assets not readily accessible to ordinary investigators (because, as underlined in the evaluation report, powers are regulated in different pieces of legislation); lack of resources, staffing and training. Furthermore, there was a lack of statistics and

¹ Under article 4 of Law 2656/1998 (ratifying the OECD Convention on combating bribery of foreign public officials in international business transactions), the Special Investigations Service (the Greek acronym is YPEE) is specifically entrusted with the task of investigating financial crime, including bribery. The competence and powers of YPEE (previously known as Financial and Economic Crimes Office – SDOE) are set out in its founding Law 2343/1995 and the implementing Presidential Decree 218/1996 as amended by Presidential Decrees 152/1997 and 154/1997. With a view to safeguard its independence, YPEE is kept out of the administrative hierarchy and reports directly to the Minister of Economy & Finance. Its personnel comprise civil servants from the Ministry of Economy & Finance and special scientific personnel, recruited according to its own internal organisation. The heads of departments are selected by a special 9-member committee chaired by a Legal Counsel to the State.

information on corruption-related investigations that made it difficult, at the time of the on-site visit, to draw any positive conclusion on the practice followed².

11. It would seem that the conditions for the use of temporary measures applicable to proceeds from corruption have been relaxed in some respect. From the information available, it is hard to assess the exact improvements but it would seem that lacuna identified at the time of the on site visit remain (in particular inconsistencies in the criminal legislation, and limited powers of ordinary investigators). This shows the importance of addressing these matters more broadly in the context of the revision of the new Criminal Code and of a new Code of Criminal Procedure, as it is planned by the Greek authorities; for the time being, the work seems to be at an early stage and the outcome is still uncertain. Also, it is unclear to what extent the various existing and new training opportunities offered do address the recommendation and it would appear that the only new initiatives taken concern judges and prosecutors³. Finally, with the exception of the staff of the FIU which is now hired on a permanent basis and has reportedly been increased (figures are not provided though), it is questionable whether the need for additional staffing and other resources has been examined, or such extra resources allocated to the relevant bodies (especially general police investigators and the prosecutor to the SIS/SDOE⁴). For all these reasons, GRECO cannot conclude that the recommendation as a whole has been addressed in an effective manner.
12. GRECO concludes that recommendation i has been partly implemented.

Recommendation ii.

13. *GRECO recommended that the Greek authorities strengthen their anti-money laundering regime with a view to increasing its efficiency and contribution to the fight against corruption, and draw-up guidelines and provide training on the detection of corruption.*
14. The Greek authorities report that by Law 3424/2005, the statute and situation of the Financial Intelligence Unit (FIU) was changed. It has become the National Authority for the combating of money-laundering and was established as a separate independent entity. It is indicated that this has led to a significant increase in personnel and infrastructure. The Ministry of Finance and Economy (www.mnec.gr) has updated in December 2006 the money laundering legislation, incorporating into the Greek legal order Directive 2001/97/EC, Framework Decision 2001/500/JHA and the relevant FATF recommendations. The Greek authorities provide a translation of the Law 2331/1995 on the "Prevention and suppression of money laundering", as amended. They also indicate that insurance businesses are now required to report suspicious transaction to the FIU, that an independent insurance supervisory body⁵ was created and that this body is required to organise training seminars and to undertake general awareness-raising activities (it has started doing so, although it has been operational only since the early months of

² The Greek authorities further indicate that an initiative was launched to collect statistics, with the creation of an on-line system designed to centralise all procedural steps related to terrorism, corruption and money laundering offences. This project (currently a pilot project operating in certain smaller courts of first instance) will involve a court officer appointed in each court for the registration and submission of data to the Ministry of Justice.

³ The evaluation report already acknowledged the existence in Greece of training on seizure and confiscation at the School for Judges and Prosecutors.

⁴ The Greek authorities take the view that the prosecutor attached to the SIS/SDOE is a prosecutor available 24/7; because of this, the task is performed in reality by different prosecutors on a rotation basis. These prosecutors are usually persons with experience in matters relating to financial crime and they undergo special training at the National School of Judges and Prosecutors before they take up their assignment.

⁵ The Hellenic Private Insurance Supervisory Committee (HPISC)

2007). Furthermore, the incorporation of Directive 2005/60/EC (the Third EC anti-money laundering Directive) is expected within the year. The National Authority has initiated a series of seminars addressed to judges, prosecutors and lawyers in order to further enhance their awareness of the new provisions. The Greek authorities indicate that training on money-laundering is routinely provided as a question of priority to the police academy and the National School of Judicature and during in-service seminars for the Special Investigations Service, the Accounting and Auditing Oversight Board (ELTE), the Institute of Certified Public Accountants of Greece and the Bar Associations.

15. GRECO takes note of the information provided. It recalls that the Second Round Evaluation Report had summarised the shortcomings of the anti-money laundering system as follows: *“The GET had serious doubts as to the efficiency of the anti-money laundering regime and its contribution to the fight against corruption, in particular, for the following reasons: i) some institutions with a duty to file suspicious transaction reports (STRs), such as insurance companies, had not yet done so⁶; ii) institutions and professions with an obligation to notify suspicious transactions in terms of money laundering had received no guidelines and training on how to detect corruption; iii) some institutions and professions – such as those included in the relevant 2nd EC anti-money laundering Directive (e.g. auditors and private lawyers) - had no formal obligation under the Greek Anti-Money Laundering Law to report suspicions of money-laundering to the Greek Financial Intelligence Unit; iv) the FIU could not formally suspend a suspicious transaction; and v) the FIU was clearly understaffed and was obliged to recruit analysts from the Body for the Prosecution of Economic Crime (SDOE/YPEE) on an ad hoc basis to analyse STRs. The GET was told that Greece had prepared draft legislation on these matters, but in the absence of precise information, the GET was unable to assess to what extent the changes planned had the potential of remedying the aforementioned shortcomings.”*
16. The information submitted by the Greek authorities (including the amended anti-money laundering Law 2331/1995), indicate that improvements have taken place in the anti-money laundering system. In particular, the list of entities subjected to the anti-money laundering legislation was extended (and it now comprises a comprehensive enumeration of financial institutions – including life-insurers - and non-financial businesses and professions such as auditors and lawyers). Furthermore, the FIU has at present the power – if this is urgent – to suspend financial transactions or prevent transactions involving immovable property (art. 5 of Law 2331/1995 as amended). On the other side, the information does not allow to gain a clear picture of the improvements that have taken place as regards the staffing of the FIU (especially the analysts), what exact kind of awareness-raising/guidance/training arrangements have been made concerning the detection of corruption (or money laundering connected with corruption) and to address the issue of under-reporting entities (other than those that were not listed in the law 2331/1995 at the time of the on site visit). Finally, there is no information available (in particular as regards suspicious transactions reported, possibly concerning proceeds of corruption, and their origin) that would enable GRECO to conclude that the anti-money laundering system has become more efficient. To conclude, it would appear that some progress is under way in Greece as regards certain aspects of recommendation ii but GRECO cannot conclude, for the time being, that it has been fully addressed.
17. GRECO concludes that recommendation ii has been partly implemented.

⁶ The Greek Financial Intelligence Unit (FIU) informed the GET that 80% of reports came from the banking sector and the others from the Police, SDOE and the Hellenic Capital Market. At least 3% of the STRs were related to corruption cases.

Recommendation iii.

18. *GRECO recommended to ensure appropriate monitoring of the implementation of the new law on freedom of information.*
19. The Greek authorities report that access to information is widely considered as an area where reforms have been successful⁷. Every citizen may access any type of administrative information without any need to demonstrate a legitimate interest thereto. By virtue of the new law on access to information adopted in December 2005, administrative bodies must provide the information requested within 10 days and any denial has to be reasoned. An applicant can then turn to the prosecutor who shall decide immediately whether the information requested from the administration is sensitive or not before possibly ordering its disclosure. A network of Citizens Advice Bureaux (Κέντρα Εξυπηρέτησης Πολιτών – ΚΕΠ) operates throughout the country run by the central administration, the regions, the departments and almost all municipalities. This network was established to obtain information on-line in an easier and swifter manner. The system handles millions of requests (the 2006 data indicates that 3.126.853 requests were made by 1.920.468 citizens, whereas in the first nine months of 2007 there were 2.893.780 requests made by 1.942.742 citizens). The KEP network is managed by the Ministry of the Interior and its functioning monitored by the Inspector General of Administration. The latter has access at any time to the on-line system and the number of requests, denials and other relevant information. The Inspector General submits an annual report to the Parliament, which contains a chapter on the functioning of the system, including possible recommendations for improvement.
20. GRECO takes note of the information provided. It would seem that the situation is improving and the Greek authorities are relying largely on the positive experience with existing infrastructures established in the field of access to information. Despite this confident attitude, it is not fully clear which specific measures have been taken to assess the implementation and impact in practice of the new law adopted in December 2005 (that was meant to remove the requirement for citizens to demonstrate a “legitimate interest” to obtain private documents held by public sector bodies). GRECO welcomes the availability of statistical data, which indicates that tools are in place to carry out monitoring work, but there is a lack of further explanations as to their meaning/impact (articulation of on-line demands with standard methods for obtaining information, number of requests accepted or rejected and for what reasons, deadline or average time for accessing information and documents etc.). This being said, GRECO takes note of the attention devoted by the Inspector General of Administration to the new network of Citizens Advice Bureaux, of his ability to obtain information on the functioning of this network in practice, including the on-line application system, and to report to the Parliament about it. Therefore, it would appear that the Inspector General of Administration is in a position to carry out some monitoring function in respect of the new infrastructures.
21. GRECO concludes that recommendation iii has been dealt with in a satisfactory manner.

Recommendation iv.

22. *GRECO recommended to ensure that all public officials, whether or not civil servants, are bound by appropriate rules and guidelines designed to prevent corruption (in particular in respect of ethics, the expected reaction to gifts and the countering of risks of corruption) and receive*

⁷ the authorities call it a “success story” since it is presented as an example of best practices in various fora, including in the context of international technical assistance.

appropriate training; to increase the control over the selection procedures of public officials; and to ensure that an effective system of performance evaluation of public officials is established

23. The Greek authorities indicate that the Ministry of the Interior, Public Administration and Decentralisation (www.ypes.gr) has just completed its work on the promulgation of a new Civil Service Code, adopted by Law 3528/2007 in October 2007. The new Code sets out in detail the criteria for the selection (articles 4-10), appointment (articles 11-23) and promotion of public servants (articles 76-98); it also lists under article 107 a series of disciplinary offences and procedures (covered under articles 106-146), which also include bribery offences: article 107 para. q makes the “*acceptance of any material favour or exchange for the handling of a matter by the servant in the performance of his/her duties*” a disciplinary offence. The Greek authorities also indicate that the Code does not contain further references to reactions to gifts because it was clearly understood that article 107 applies to gifts as well and that, as a result, any form of gift is thus prohibited. Corruption was granted absolute priority. The regular training undertaken in the School of Public Administration includes several courses on corruption issues and ethics, both at the entry-level and in-service training courses. The question of corruption, and the relevant provisions on staff rotation applicable to certain sensitive positions, public procedures for appointment to managerial positions, term limitations for such managerial positions, were also topics addressed in the regular information seminars on the new Civil Service Code conducted in each department and dealt with in the relevant circulars. The general information that was provided is also available on line (website of the Ministry of the Interior, private sites, where all available job opportunities are advertised).
24. The Code is primarily meant to cover civil servants but its application is extended to the whole of the public sector, unless specific provisions exist in the relevant constituent entities (article 2), and the contracts of non-permanent staff provide in principle for the applicability of the Code. In practice, the Civil Service Code reportedly covers the whole public sector as regards selection procedures, appointment, performance evaluation mechanisms etc. The practical enforcement of performance evaluation mechanisms falls also under the remit of the General Inspector for the Public Administration, whose annual reports to the Parliament always contain a survey of such procedures⁸.
25. All selection procedures for the public sector in general are channelled through the Supreme Council for the Selection of Personnel (ASEP), be it for permanent civil service positions or for short-term contractual positions. There has been a debate in Greece as to the future of such contractual workers: a much disputed series of presidential decrees (PD 81/2003 as amended by PD 164/2004 and PD 180/2004) implementing Directive 1999/70 has equated persons serving under contract before 2004 to permanent civil servants. Particular emphasis is currently placed on employment contracts with several corporations created by municipalities: it has been made clear that such contracts cannot be renewed beyond a limited period of time whereas permanent personnel to municipalities can only be recruited through ASEP.
26. As indicated above, the personnel of the wider public sector is covered by the Civil Service Code. It comprises terms of office for all managerial positions, based on an open evaluation procedure (articles 84-86 CSC); a regular personal evaluation report to be examined by the competent service council (articles 159-162 CSC) and subject to *proprio motu* intervention by the General Inspector of the Public Administration (article 117 CSC); and disciplinary sanctions for breaches (articles 117-118 CSC), in addition to criminal sanctions and an obligation to compensate the citizen and the State for any damage caused by such breach (article 38 CSC, providing also for

⁸ The reports are publicly available (in Greek) at www.gedd.gr

an extended 5-year prescription period). Civil servants are reportedly encouraged, by financial incentives, sabbatical leaves and promotion opportunities, to undertake further studies and training, in addition to the regularly provided in-service training.

27. GRECO takes note of the information provided. The new Civil Service Code adopted in 2007 introduces important changes as regards the recruitment, career system and rights and obligations of civil servants. Measures appear to have been taken to make the selection process more transparent and to develop performance evaluations of staff. GRECO welcomes that the dimension of corruption has also been taken into account through various mechanisms and that, in practice, the Code appears to cover the public sector globally. GRECO regrets that the issue of ethical principles for public officials has not been addressed, in particular as regards reactions to gifts. On the other hand, it would appear that the provisions on disciplinary offences of the new Code, especially art. 107, prohibit any form of gifts and that there is a common understanding in Greece on this matter which is be welcomed.
28. GRECO concludes that recommendation iv has been implemented satisfactorily.

Recommendation v.

29. *GRECO recommended to regulate more strictly conflicts of interest (including the improper migration to the private sector), incompatibilities and accessory activities in respect of all public officials and to establish proper monitoring of the application of the rules in this area.*
30. The Greek authorities indicate that the new Civil Service Code, adopted in October 2007, contains detailed rules on secondary private activities (article 31), participation in commercial corporations (article 32), incompatibilities with the appointment as a member of parliament (article 33) or as an attorney-at-law (article 34) or as regards secondary positions held in the public sector (article 35). A civil servant is also barred from handling cases where possible personal interest exists, including matters relevant to family members. The Greek authorities referred for further details and statistical data (on disciplinary procedures, their numbers and their outcome) to the annual reports presented by the General Inspector for Public Administration to Parliament which are available on Internet⁹. They also claim that the introduction of restrictions to improper migration to the private sector have been discussed and it was considered that civil servants would leave the Service only upon retirement. However, there are specific provisions for military personnel dealing with public tenders: they cannot be employed in the armament industry for a period of four years after they leave the public service; non-compliance with this provision is sanctioned by the suppression of the pension.
31. GRECO takes note of the information provided. It welcomes the adoption of the new Civil Service Code and understands that a number of new provisions have been included that now cover more strictly incompatibilities and accessory activities of civil servants. As indicated earlier (see the information presented in connection with recommendation iv.), the new Civil Service Code is said to apply in practice to the entire public sector. The lack of translation of the relevant provisions and/or more detailed information, however, make it difficult to fully assess the pertinence of the changes introduced. Greece appears to have in place some isolated measures to deal with the phenomenon of revolving doors but here again, it is difficult to reach any clear conclusion. It also remained unclear to what extent controls over compliance with the measures to prevent conflicts of interest, incompatibilities and accessory activities have been tightened up.

⁹ The website www.seedd.gr is only available in Greek, however.

32. GRECO concludes that recommendation v has been partly implemented.

Recommendation vi.

33. *GRECO recommended to establish appropriate protection for whistleblowers and to take all other measures deemed necessary to facilitate the reporting of corruption.*
34. The Greek authorities emphasise that under Greek law, there is a general obligation for civil servants to report a crime to the competent authorities (article 40 of the Code of Criminal Procedure). This obligation has been reiterated in article 12 of Law 3560/2007 on the ratification and implementation of the Criminal Law Convention on Corruption and its additional protocol (the law was published in the official gazette n°103 of 14 May 2007). Moreover, the same article 12 further extends the protection provided for informants in cases of organised crime to all persons reporting and cooperating in the prosecution of a bribery offence. In their most recent comments, the Greek authorities also advise that for historical reasons, there is a strong trade union protection for all employees in Greece, including whistleblowers. Retaliation would be made difficult since decisions for the promotion, transfer and general advancement of a civil servant are taken by the competent service boards, with the active participation of trade union members.
35. GRECO takes note of and welcomes the introduction in Greece of the possibility to apply witness protection measures also in relation to those who report corruption and cooperate in criminal proceedings. GRECO does not disagree with the fact that witness protection measures (which are primarily meant to ensure a physical protection) can also apply to serious corruption cases. This being said, the underlying considerations to recommendation vi, as it is explained in the Evaluation Report, are clearly related to the professional protection of employees and their career (against possible retaliation from their employer, supervisors, colleagues etc.). The Greek authorities did not specify what protective measures exist for informants nor whether any of these can be applied also to preserve a whistleblower's professional situation and career. The involvement of trade unions in career decisions may well prevent certain retaliation measures against whistleblowers from occurring. Nevertheless, the Greek authorities need to pursue their efforts and introduce also professional protective mechanisms for those who report in good faith suspicions of corruption. As regards the reporting of corruption (whether internally or to the prosecutorial authorities), Greece does not appear to have adopted new measures to facilitate further the functioning of the existing reporting mechanisms in practice (whether under art. 37.2 or 40 of the Code of Criminal Procedure). As was mentioned in the Evaluation Report, employees suspecting a corrupt act would normally turn primarily to their supervisor and corruption offences are seldom reported (mostly anonymously). GRECO urges the Greek authorities to also reconsider this part of the recommendation and to introduce (awareness-raising, encouraging, internal policy) measures to facilitate the reporting.

36. GRECO concludes that recommendation vi has not been implemented.

Recommendation vii.

37. *GRECO recommended to speed up the adoption of the new law setting up an appropriate system of central registration for legal persons and to ensure appropriate monitoring of its implementation.*
38. The Greek authorities indicate that Law 3419/2005, promulgated in December 2005, has established a Central Commercial Registry (GEMI), managed by the Central Union of Chambers

of Commerce (with corresponding offices in each chamber of commerce). All personal companies (general partnerships, special partnerships) and cooperatives, including the European Cooperative and the Societas Europaea are to be registered therein and the entity is considered established only from the date of such registration. Civil law associations will continue to be registered at the courts of first instance.

39. On 8 August 2007, Law 3604/2007 amending Law 2190/1920 on corporations came into force. The new statute modified, updated and simplified the regulations on corporations, effectively adjusting their regulatory framework to the requirements of a modern society. Article 7b of Law 2190/1920, as supplemented by article 9 paragraph 1 of Law 3604/2007, provides for the establishment of a Central Registry for Corporations to be kept at the Ministry of Commerce in addition to the registries already kept at each prefecture. A GEMI office (see above) will be created in the Ministry of Commerce as part of the Central Commercial Registry, competent to deal with the registration of joint stock companies, banking and insurance companies. Corporations with additional requirements of publicity will be handled centrally by the Ministry. The details are to be set out in a forthcoming ministerial decision. In any case, the prefecture registries have an obligation to keep each other and the central registry updated and coordinated at all times.
40. The overall monitoring of the system is entrusted to the Central Union of Chambers of Commerce, which is also responsible for the verification of the information provided and the imposition of sanctions, with the exception of the Registry for Corporations, for which verification and sanctioning responsibilities remain with the Ministry of Commerce.
41. GRECO understands that the system for the registration of legal persons has been undergoing important changes since the on-site visit. The new central registers have the potential to become a useful tool for those who are investigating and prosecuting corruption and other serious offences, on the condition that the fact that they are split and managed separately does not give rise to new complications and that adequate technical and other practical measures are put in place. Although implementing secondary legislation is still needed for the full operation of these registers, the establishment of a new system is almost complete and it shows that Greece has made an effort in this area. Finally, GRECO notes that measures are taken to ensure the appropriate monitoring of the functioning of these new registers in future.
42. GRECO concludes that recommendation vii has been dealt with in a satisfactory manner.

Recommendation viii.

43. *GRECO recommended to establish an appropriate system of professional limitations for persons found guilty of criminal offences.*
44. The Greek authorities report that already under the system applicable at the time of the evaluation, any person found guilty of criminal offences was disqualified from participating in a bid for a public contract. Greece has recently updated the public contracts legislation by means of Presidential Decrees 59/2007 and 60/2007, respectively incorporating EC Directives 2004/17 and 2004/18 as further amended by Directive 2005/51 and 2005/75. Already since March 2006, the General Secretariat of Commerce had issued circulars, drawing the attention of all competent authorities to the disqualification of any person found guilty of offences relating to participation in a terrorist organisation, bribery, fraud and money laundering. As a result of this exercise, the Ministry of Development has promulgated a new Regulation for Public Contracts in the Public

Sector, approved in July 2007 by Presidential Decree 118/2007¹⁰. The Greek authorities also indicate that in the absence of further EU provisions on professional disqualifications, the country prefers to take preventive measures in the area of relationships between the public and the business sector, rather than to introduce general disqualification measures in the business sector.

45. GRECO takes note, with interest, of the introduction of measures to exclude from public tenders persons found guilty of having committed certain serious offences, including bribery. This being said, GRECO wishes to explain again the real nature of the matter at stake (para. 74 of the Evaluation Report) which is of a different nature; as it is said in the evaluation report, *during the on-site visit, the [Greco Evaluation Team] was told that it is possible for a natural and/or a legal person to establish a company or to take part in it even in those cases where the person concerned has been found liable for a crime, including corruption, trading in influence, accounting offences or money laundering, except for particular companies such as corporations participating in public contract biddings, banks and other fiduciary enterprises, or companies operating in the fuel market.* GRECO also believes that the Greek authorities do not need to await a new EU initiative to adopt measures such as those addressed in the recommendation.
46. Since it would appear that there have been no specific measures taken to address the matter of professional limitations, GRECO can only reiterate the GET's conclusion as already spelled out in the Evaluation Report: *for the sake of a credible anti-corruption policy, it is crucial to establish adequate professional limitations and to check them effectively, for persons found guilty of economic and financial crimes and to disqualify those persons from holding leading positions in legal persons, where appropriate.*
47. GRECO concludes that recommendation viii has not been implemented.

Recommendation ix.

48. *GRECO recommended that, in the context of the forthcoming ratification of the Criminal Law Convention on Corruption (ETS No 173), all officials concerned receive appropriate training on corporate liability with a view to making full use of the provisions and sanctions foreseen in cases of active bribery, trading in influence and money laundering and to consider establishing a registry of legal persons which have been subject to sanctions for criminal offences.*
49. The Greek authorities stress that all prosecution and law enforcement authorities continue to provide/receive training in matters pertaining to financial crime, including corruption and money laundering. These activities include (and, indeed, in the case of the National School of Judicature concentrate on) corporate liability, especially in view of the fact that the sanctions stipulated under Greek law remain administrative rather than criminal.
50. The General Registry of Companies includes information as to whether a legal entity has been declared bankrupt or liquidated (or is undergoing such a process). The Minister of Development may also stipulate further categories of information to be added to the registry: this possibility has already been used since the Ministry keeps a record of companies sanctioned for corruption and thus excluded from public bids. The Greek authorities take the view that the existence of this "black list" goes even beyond the requirements of the second part of the recommendation.

¹⁰ The Greek authorities referred for further information to the website of the General Secretariat of Commerce (www.gge.gr); however, the website is only in Greek.

51. GRECO takes note of the information provided and recalls that – according to the Evaluation Report (para. 65) – under Greek law legal persons are subject to administrative liability, including for some corruption offences by virtue of domestic case law that has taken into account in Greece's ratification of the EU and OECD Conventions. As is also indicated in the report, it was impossible at the time of the on-site visit to obtain any information on certain legal issues related to the liability regime in place for legal persons, nor on its effectiveness in practice. It was expected that the ratification of the Criminal Law Convention on Corruption – ETS 173 (for which a draft was in Parliament in December 2005) would have clarified the matter¹¹. Following examination of the question of a registry (for legal persons) of sanctions for corruption, the Ministry of Development has established a “black list” of companies sanctioned for corruption and thus excluded from public bids, which is certainly an interesting initiative.
52. Turning to training efforts in the area of corporate liability, which is the main element of the present recommendation, GRECO notes the efforts made, especially at the level of the National School of Judicature although the information provided is rather vague.
53. GRECO concludes that recommendation ix has been implemented satisfactorily.

Recommendation x.

54. *GRECO recommended that the authorities explore, in dialogue with the professional bodies of accountants and auditors, which measures should be taken to improve the situation in relation to reports of suspicions of corruption to the authorities (e.g. guidelines for the detection of corruption and training).*
55. The Greek authorities indicate that already in January 2005, the Accounting and Auditing Oversight Board (ELTE), the competent body for the oversight of the accounting and auditing profession, issued a Circular addressed to all auditing firms and the Institute of Certified Public Accountants of Greece drawing their attention to the fact that it is their responsibility under the Greek and International Auditing Standards to perform their duties in such a manner that any suspicion of corruption be detected and reported to the appropriate authorities. ELTE has since January 2006 included information on corruption offences and the application of Greek Accounting Standard 2250: ‘Evaluation during audit’ in their regular seminars. Moreover, the professional bodies of accountants and auditors have been consulted on, and remain involved in the drafting of the anti-money laundering legislation (e.g. the proposed implementation in the Greek legal order of Directive 2005/60/EC - the Third EC anti-money laundering Directive) and they participate, together with individual members of these professions, in awareness-raising seminars organised by the new FIU.
56. GRECO takes note of the various new initiatives taken to involve the professions of accountants and auditors in the uncovering of corruption offences. GRECO very much hopes that this will translate concretely into reports of suspicions of corruption and corruption-related money laundering to the competent authorities (police and FIU).

¹¹ Law 3560/2007 on the ratification of the Criminal Law Convention on Corruption and its additional protocol was adopted and published in May 2007. Art. 10 para. 1 provides for the following administrative penalties: a) administrative fines, b) temporary or permanent exclusion from a business activity; c) temporary or permanent exclusion from the benefit of public grants or subsidies (to be imposed by the Head of the competent regional directorate of the Special Control Service). The Greek authorities indicate that in the current context of the drafting of a new Criminal Code and Code of Criminal Procedure, it is discussed whether a system of corporate criminal liability should or not replace the administrative system of corporate liability; the issue remains highly controversial.

57. GRECO concludes that recommendation x has been implemented satisfactorily.

III. CONCLUSIONS

58. **In view of the above, GRECO concludes that Greece has implemented satisfactorily or dealt with in a satisfactory manner half of the recommendations contained in the Second Round Evaluation Report.** Recommendations iv, ix and x have been implemented satisfactorily, and recommendations iii and vii have been dealt with in a satisfactory manner. Recommendations i, ii and v have been partly implemented, and recommendations vi and viii have not been implemented.
59. Greece has made efforts to comply with a number of GRECO recommendations, in particular through the adoption of measures to strengthen the anti-money laundering preventive mechanism, to facilitate citizens' access to information, to prevent corruption within the administration – notably by modernising the civil service and enhancing the rights and obligations of public sector employees – and to involve the professions of accountants and auditors in the detection of possible corruption offences. Likewise, progress has also been made in respect of the progressive establishment of mechanisms for the central registration of legal persons by the Union of Chambers of Commerce and the Ministry of Commerce. The listing of companies found guilty of having committed corruption offences by the Minister of Development is another interesting development. Nevertheless, additional measures to prevent corruption in various areas are still needed. For instance, the level of expertise and the means of bodies in charge of financial investigations need to be enhanced. Greece has not yet an appropriate mechanism to efficiently protect whistleblowers from retaliation who report in good faith suspicions of corruption and further similar measures are required to facilitate the reporting of such suspicions. The country also lacks a system of professional limitations in the private sector for persons found guilty of corruption. GRECO encourages the authorities to deal with the outstanding recommendations as soon as possible.
60. GRECO invites the Head of the Greek delegation to submit additional information regarding the implementation of recommendations i, ii, v, vi and viii by 31 August 2009 at the latest.
61. Finally, GRECO invites the Greek authorities to translate the report into the national language and to make this translation public.