

Greece: Technical Memorandum of Understanding

Accompanying the MoU of the ESM programme

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Accompanying the MoU of the ESM programme

1. This Technical Memorandum of Understanding (TMU) is a supporting document for the Memorandum of Understanding. It sets out the definitions of the indicators subject to quantitative targets, including performance criteria and indicative targets. It also describes the methods to be used in assessing programme performance and the information needed to ensure adequate monitoring of the targets.

General Government

2. **Definition:** For the purposes of the programme, the general government includes all units classified as government units in the published Register of the General Government Entities of the Hellenic Statistical Authority (ELSTAT) as reflected in the most recent EDP notification, in accordance with the rules specified in the *European System of Accounts 2010 (ESA2010)* and the *Manual on Government Deficit and Debt Implementation of ESA 2010 (ESA2010 MGDD)*.¹

DEFINITIONS AND REPORTING STANDARDS

A. Modified General Government Primary Cash Balance

3. **Definition:** The modified general government primary cash balance (MGGPCB) is defined as the modified general government cash balance (MGGCB) minus general government interest payments. The MGGCB is defined as the sum of the cash balances of general government entities as included in the Register of the General Government Entities of ELSTAT in accordance with ESA2010 rules. The delineation of the above the line and below the line transactions, and classification of the main revenue and expenditure categories is in accordance with the rules specified in the *ESA2010* and the *ESA2010 MGDD*.

- **The ordinary state budget.** The cash balance of the ordinary state budget will be measured from above the line, based on: (i) gross ordinary budget revenues (recurrent and non-recurrent), minus tax refunds; minus (ii) ordinary budget expenditures as published monthly on the official website of the General Accounting Office of the Ministry of Finance; plus (iii) the balance of operations performed through the accounts outside the budget, in particular the Single Treasury Account.
- **The cash balance of the public investment budget.** The cash balance of the public investment budget will be measured from above the line, based on investment budget revenues minus investment budget expenditures as published monthly on the official website of the General Accounting Office of the Ministry of Finance, and in line with the corresponding line items established in the investment state budget.
- **Other Sectors (EBFs, SOEs, local governments, social security funds and hospitals).** The cash balance of the remaining sectors of the general government will be measured from above the line based on: (i) gross revenues (including transfers from the State government as well as from other subsectors) minus (ii) expenditures, as published monthly on the official website of the Ministry of Finance.
- **Consolidation.** The sum of cash balances will be derived from the aggregated revenue and expenditure of all general government entities excluding all intra and inter-sectoral transactions.

¹ On sectorization, both manuals are consistent with the general principles of the Government Finance Statistics Manual (2014) (GFSM2014).

4. Adjustments: The MGGPCB will exclude:

- the part of the public investment budget (revenues and expenditures) related to EU structural funds and their co-financing;
- all transfers related to Eurogroup decisions regarding income of euro area national central banks (SMP and ANFA revenue) including the BoG, stemming from their investment portfolio holdings of Greek government bonds;
- receipts from the sale of non-financial assets such as land, buildings and from leases, concessions or licenses (recorded as one-off transactions);
- total general government migration-related expenditure, net of EU transfers to the Greek budget for migration-related costs consisting of (i) operational expenditure of the Ministry for Migration Policy from 2017 onwards, (ii) state expenditure recorded under the special budget account for migration expenditure codes (590 to 596 as well as other special budget accounts for migration expenditure in code group 590 agreed with staff of the IMF/EC/ECB/ESM for Ministries, 078 for Decentralized Administration and 187, 188 and 238 for regional services of Ministries. Migration-related expenditure will exclude wages and salaries of permanent civil servants for the purposes of this adjustor. Delayed EU fund payments related to migration expenditure already deducted from previous years' programme balance will be also excluded. The total adjustment will not exceed 0.2% of GDP per annum.
- payments related to support of the banking system that are part of the programme's financial sector strategy (except payments for deposit guarantee schemes);²
- any payments from banks that would undermine their solvency or liquidity, unless the Bank of Greece confirms that such a payment would be compatible with the preservation of adequate capital buffers and liquidity going forward, including by verifying consistency with banks' business plans as included in the most recent stress test. The two exceptions to this are the capital concentration tax and the guarantee fee structures currently in place;
- any refunds concerning taxes and any payments of arrears as defined in Section C, excluding unprocessed pension claims, made with special financing for arrears clearance.

5. Supporting material: All of the following will be provided within four weeks of the end of each reporting month:

- For the State, EBFs, and SOEs, the Ministry of Finance (MoF) will provide to the European Commission, ECB and IMF detailed information on monthly revenues and expenditures including interest expenses, accounts payable distinguishing third parties, domestic and foreign debt redemptions, new domestic and foreign debt issuance, change in the domestic and foreign currency cash balances at the Bank of Greece, and all other sources of cash financing.
- For local governments, the Ministry of Finance, in collaboration with the Ministry of Interior, will provide monthly data on revenues and expenditures, accounts payable distinguishing third parties, as collected in the Ministry databank.
- For the social budget and hospitals, the Ministry of Finance, in collaboration with the Ministry of Labor and Ministry of Health, will provide monthly data on revenues and expenditures and accounts payable distinguishing third parties, in the social security funds, the central healthcare fund (EOPYY) and public hospitals.
- Finally, with a view to cross-check above and below the line primary cash balances, the Bank of Greece will provide detailed monthly data on net acquisition of financial assets and liabilities of the State and all non-State subsectors of the General Government as defined above: local authorities, social budget entities, extra-budgetary funds, and state

² Any financial operation by the central government to support banks, including the issuance of guarantees or provision of liquidity, will be immediately reported to the IMF, European Commission, and ECB staff.

enterprises included in the definition of general government. The entity that will be in charge of the operation of the Single Treasury Account (STA) will provide monthly data on the outstanding amount of the STA, and inflows and outflows passing through the STA grouped by main categories, and distinguishing above and below the line transactions and possible other economic flows. A template agreed with the institutions and compiled and provided by the GAO based on the information provided by the above entities will reconcile above (General Government Bulletin) and below the line (BoG) data, including asset and liability stocks and flows reconciling differences between BoG deposit data and c-table deposit data.

- Monthly data by budget code on the use of the special account allocated for refugee spending, including data on wage and nonwage-related spending, within three weeks of the end of each month. Results of the ex-post surveys of line ministries on migration-related spending on quarterly basis.
- Monthly data on payments of spending arrears, tax refunds, and pension claims accrued in previous years and paid with special appropriation for arrears clearance or/and with ESM special financing for arrears clearance.

B. State Budget Primary Expenditure

6. Definition. The state budget primary spending consists of state budget expenditure minus interest paid by the state budget. State budget expenditure includes called guarantees to entities inside and outside the general government.

7. Adjustments: State budget primary expenditure will exclude the following:

- payments related to support of the bank system that are part of the programme's financial sector strategy;³
- expenditures related to EU structural funds and their co-financing;
- any payments of state spending arrears or transfers for settlements of general government arrears from special appropriation for arrears clearance;
- debt assumptions of other general government entities.

8. Supporting material. The General Accounting Office of the Ministry of Finance will provide monthly expenditure data, as defined above.

C. The Stock of Domestic Arrears and Other Payment Claims

9. Definition. For the purpose of the programme, domestic arrears and other payment claims are defined as: (i) unpaid invoices of the general government owed to third parties that are 90 days past their due date; plus; (ii) the stock of tax refund claims of third parties that have received an AFEK (verified and non-verified) but excluding those under legal dispute, and any unprocessed tax refund claims that have exceeded 90 days since the claim was filed; and (iii) any processed and unprocessed pension claims that have exceeded 90 days since the retirement application was filed. In case no due date is specified on a given supplier contract, an unpaid commitment is in arrears 90 days after the receipt of the invoice. Tax refund claims that have received an AFEK and processed and approved pension claims are due immediately. The net accumulation of arrears and other claims is calculated as the change in the stock of general government spending arrears (excluding arrears to be offset with clawback and rebate), processed (AFEK) tax refund claims, unprocessed non-AFEK tax refunds and pension claims older than 90 days.

10. Supporting material. Monthly data on spending and tax refund (processed) gross arrears of the general government will be provided by the Ministry of Finance within four weeks after the end of each month. The Ministry of Finance will publish this information on its website. The Ministry of Finance will also provide for the institutions data on accounts payable overdue by 0–30, 31–60, and 61–90 days for

³ Any financial operation by the central government to support banks, including the issuance of guarantees or provision of liquidity, will be immediately reported to the IMF, EC, and ECB staff.

general government entities as reported in the commitment registers as well as (i) stock of spending arrears; (ii) stock of unpaid processed tax refund claims, showing verified and unverified claims; (iii) stock of unpaid unprocessed tax refund claims, distinguishing those that are older than 90 days. Tax refund arrears data (including the age of tax refund claims) will be based on information provided by General Secretariat for Information Systems and General Secretariat for Public Revenue / Independent Authority for Public Revenue (IAPR). The GSPR / IAPR will fill out the tax refund template provided for this purpose on a monthly basis. Unprocessed pension claims, including the age of the claims, will be provided by the Ministry of Labour. Information on clawback and rebate will be provided by the Ministry of Health and EOPYY. The coverage of the current reporting of general government contingent claims will be assessed in consultation with the institutions, and extended according to an agreed timetable to cover all contingent claims that are not currently reported on monthly basis.

11. Supporting material. For the first disbursement of financial assistance for arrears clearance under the third tranche, sufficient progress on arrears clearance will need to be demonstrated. This will be done by verifying that the authorities have, before the disbursement, reduced the stock of arrears by an amount equivalent to 80 % of the previous cumulative disbursements since June 2016 dedicated to arrears clearance. The following disbursement for arrears clearance will be approved on the basis of a report by the European institutions assessing that there has been progress in clearing net arrears amounting at least to 150% of the amount of the previous disbursement allocated to arrears clearance i.e. it will include a requirement to use own resources to clear arrears in the proportion of 1:2 relative to programme funds disbursed for arrears clearance under the previous disbursement under the third tranche. Authorities will provide an updated arrears clearance programme with a target reducing of the whole stock of arrears by mid-2018. To this end, the authorities will provide monthly reports on the financing from the overall envelop for arrears clearance and the account dedicated to arrears clearance, the utilization of the special appropriation for clearance of arrears, as well as on the relevant payments, based on data reported through the BoG, the GAO FMIS and surveys.

D. The Overall Stock of Central Government Debt

12. Definition. The overall stock of central government debt will refer to central government gross debt, as defined in the Excessive Deficit Procedure (EDP), i.e. covering the state, extra budgetary funds and state owned enterprises consistent with the Registry of the General Government Entities of the Hellenic Statistical Authority (ELSTAT) as reflected in the most recent EDP notification. Holdings of intra-government debt will be consolidated. The ceiling reflects total outstanding gross liabilities in the form of deposits, debt securities, and loans. It will not include accounts payable and will be measured at nominal value as defined in the EDP.⁴ The programme exchange rates will apply to all non-euro-denominated debt.

13. Adjustments. The ceiling on the overall stock of EDP central government debt will be adjusted upward (downward) by the amount of any upward (downward) revision to the stock of end-December 2016 EDP central government debt of €326.8 billion.

14. Supporting material. Data on the total stock of central government debt will be provided to the European Commission, ECB and IMF staff by the General Accounting Office consistent with the EDP definition no later than 30 days after the end of each quarter.

15. The programme exchange rates. All foreign currency-related assets, liabilities, and flows will be evaluated at “programme exchange rates” as defined below, with the exception of the items affecting government fiscal balances, which will be measured at current exchange rates. The programme exchange rates are those that prevailed on May 31, 2017. In particular, the exchange rates for the purposes of the programme are set: €1 = 1.1221 U.S. dollar, €1 = 124.4970 Japanese yen, and €1.2337 = 1 SDR.

E. Ceiling on New General Government Guarantees

16. Definition. New guarantees are guarantees extended during the current fiscal year, but for guarantees for which the maturity is being extended beyond the initial contractual provisions, only 50 percent of the full value will be counted. Modification of existing guarantees (without changing the maturity, amount guaranteed, and beneficiaries of the loan) will not be treated as new guarantees. In case of

⁴ Under EDP, nominal value is considered to be equivalent to the face value of liabilities.

a change in the beneficiaries, the state will assess whether there is an increase in the liability (and/or potential contingent liabilities) of the State and if the State's position as a guarantor is adversely affected. If the new beneficiary meets the exact same requirements as the old beneficiary and neither the liability of the State nor the state position as a guarantor is adversely affected, a modification of existing guarantees (without changing the maturity and amount guaranteed), will not be treated as new guarantees.

17. Coverage. The ceiling on the new general government guarantees shall include all new guarantees granted by any entity that is classified in the Register of the General Government Entities of ELSTAT (as reflected in the most recent EDP notification) under general government, but exclude guarantees to entities whose debt is covered under the ceiling on the stock of general government debt as defined above. The ceiling includes any guarantees to the Institute for Growth but shall exclude: (i) guarantees related explicitly to financial stability goals of the programme (e.g. government-guaranteed bank bonds or emergency liquidity assistance (ELA)); (ii) guarantees related to EIB or ESIF financed loans; (iii) guarantees related to loans provided by the EIB or ESIF through the trade finance facility up to an outstanding amount of €500 million; (iv) guarantees granted by ETEAN (up to a total outstanding amount of €50 million provided these are fully backed by an equivalent amount of bank deposits); (v) guarantees granted under a risk sharing instrument of the EU structural funds (see COM (2011) 655 final) that do not create contingent liabilities for the Greek State; and (vi) guarantees granted to individuals and businesses for proven damages from natural disasters less any amounts received as compensation insurance up to a total amount of €30 million.

18. Supporting material. All new and modified central government guarantees will be reported in detail, identifying amounts and beneficiaries, and a risk assessment of calls and probability that the guarantees will be called. The report on modified guarantees, in which the beneficiary has changed, will include an assessment of the State's modified position as a guarantor. The General Accounting Office will provide the data monthly within three weeks after the end of each month. Non-state entities classified under the general government shall report the new guarantees they extended to the General Accounting Office monthly within three weeks after the end of each month.

F. Non-Accumulation of External Debt Payment Arrears by the General Government

19. Definition. For the purposes of the programme, an external debt payment arrear will be defined as a payment on debt to non-residents contracted or guaranteed by general government units, which has not been made within seven days after falling due. The term "falling due" means the date in which external debt payments are due according to the relevant contractual agreement, including any contractual grace periods.

20. Supporting material. The stock of external arrears of the general government will be provided by the PDMA with a lag of not more than seven days after each reporting month.

G. "Programme" Primary Balance and Overall Monitoring and Reporting Requirements

21. Definition. For the purposes of the programme, the primary balance is defined as ESA 10 general government balance (B.9) minus ESA 10 general government consolidated interest payable (D.41), adjusted for the factors delineated in paragraph 22.

22. Adjustments. The balance (B.9) will exclude the following:

- the sale of non-financial assets such as land, buildings and leases, concessions or licenses (recorded as one-off transaction), unless these have been agreed in the context of the programme;
- total general government migration-related expenditure net of EU transfers to the Greek budget for migration-related costs (see paragraph 4);
- costs related to banking support (see paragraph 4);
- all transfers related to Eurogroup decisions in regard to income of euro zone national central banks (SMP and ANFA revenues; see paragraph 4);

- any other transactions related to debt-reducing measures agreed in the context of the programme, such as the reduction of Greek Loan Facility (GLF) interest margin which are counted below the line in the debt sustainability analysis;
- any payments from banks that would undermine their solvency or liquidity (see paragraph 4).

The balance (B.9) will include the following:

- change of the stock of outstanding tax refunds claims without AFEK older than 90 days, net of the amount of rejected tax refund claims that exceeds the normal annual rejection volume (5% of the flow of new claims submitted in the respective year)⁵.

23. Supporting material. Performance under the programme will be monitored from data supplied on a quarterly basis to the EC, ECB, and IMF by ELSTAT, the Ministry of Finance, the General Accounting Office, and Bank of Greece. The authorities will transmit to the IMF, EC, and ECB staff any data revisions in a timely manner. Monthly data by budget code on the use of the special account allocated for refugee spending, including wage and nonwage related spending, within three weeks of the end of each month. Results of the ex-post surveys of line ministries on migration-related spending on quarterly basis.

H. Coordination on Data and Statistical Provisions

24. Exchange of the information and data among ELSTAT, MoF/GAO, and the BoG will be based on a Memorandum of Understanding, regularly reviewed and updated at least on an annual basis and no later than April 2017. In particular, ELSTAT will provide the following information to the General Accounting Office, EC, ECB, and IMF, that would make it possible to compile timely projections based on the ESA 2010 and programme definitions:

- A bridge table between KAE and ESA 2010 codes. Each update of the bridge table by ELSTAT is to be provided as soon as available.
- A bridge table between the detailed list of EDP T2A/C/D adjustments and the ESA 2010 codes for each adjustment line.
- Completed detailed EDP tables (including analytical details), as soon as the clarification process of the Greece EDP data is concluded by Eurostat.
- Completed supplementary table on the financial crisis, as soon as the clarification process of the Greece EDP data is concluded by Eurostat
- Data on bank support adjustments, by subsectors and ESA 2010 codes.
- Data on consolidation of inter and intra-governmental transactions by economic categories.
- Tables on revenue and expenditure (ESA T200) for the state, EBFs and SOEs, hospitals, local government and social security funds.
- Data by KAE for the state bridged into ESA categories, and including the ESA adjustments for each category.
- Changes in the Register of the General Government Entities, as soon as the change is agreed with Eurostat.

MONITORING OF KEY PERFORMANCE INDICATORS (KPI)

I. KPI on Revenue Administration

Progress in revenue administration will be defined as reaching or exceeding the targets set in TMU Table 9.

⁵ This adjustor will apply only in the fiscal year 2016 and onwards.

25. Definitions:

- **A completed audit** is defined as an audit formally reported as finalized in the ELENXIS audit case management system, including signed off by the audit supervisor, and the corrective assessment as referred to in Article 34 of the TPC has been issued, or the audit report states that no underpayment has occurred.
- **High Wealth Individual (HWI)** audits carried out on a legal person owned or controlled by the high wealth individual will also count as an HWI audit case if the audit is carried out by the auditor(s) who carry out the audit of the relevant high wealth individual. Furthermore, audit of off-shore companies with the aim of identifying the natural person owing or controlling the offshore company will also be regarded as an HWI audit case. These audits will be reported separately.
- **Collection of new tax debt** is collection of debt accrued in the period from the 1st of December of the previous year till the 30th of November of the current year and does not include debt items of non-tax nature for which the tax authority is responsible for collecting on behalf of other public sector entities, such as parafiscal taxes and fines, rentals, services, loans, other parafiscal charges, other non-tax penalties, revenue stamps, debits and other non-tax fines, and other contributions.
- **Old tax debt collection** is collection during current year of debt accrued before 30th November of previous year.
- **Fresh tax audit cases** are closed audit cases, concerning tax years, fiscal years, cases, periods or obligations related to the last five years, including the year when an IAPR governor decision was issued to define the priority cases.
- **Audits from prosecutors orders:** The number of audits upon prosecutors order: refers to the amount of audit orders (per TIN) which occurs following prosecutor's order⁶ (one prosecutor's order may be related to more than one audit order).
- **Taxpayer service:** The KPI is a ratio defined as follows. The numerator is the number of VAT refund claims paid or rejected within 90 days during the quarter. The denominator is the sum of the numerator and the number of pending VAT refund claims, for which 90 days have passed at the end of the quarter. The 90-day period refers to the period between a claim is made and final payment to the claimant is completed or the taxpayer is notified that the claim can be paid, or an offset has been made, or the claim is rejected.
- **Tax paid on time:** The numerator is tax liabilities paid by due date, from the beginning of the year to the quarter-end; the denominator is total tax liabilities assessed that should be paid from the beginning of the year and to end of the quarter.
- **Enforcement measures:** The indicator is defined as a fraction where the numerator consists of the total number of debtors against whom some enforcement measure are taken by IAPR at the end of the quarter, and the denominator consists of the total number of debtors against whom IAPR could legally impose enforcement measures at the same date. Enforcement measures are defined as one of the following: garnishment orders, garnishments at the hands of third parties (including e-garnishments), auctions, mortgages, imposing liens against assets, garnishments on income or assets, seizures. From the denominator are excluded debtors which cannot, by law, be pursued⁷.
- **Controls by mobile unit:** Controls by units of the Customs administration operating on the territory and not at fixed points. These controls concern: the movement and storage of excisable goods (mainly), counterfeit goods, drugs, etc. and legal possession and use of vehicles.

⁶ TIN: tax identification number (compulsory for each taxpayer). One prosecutor order may refer to multiple tax identification numbers.

⁷ According to legislation, debtors with due debts under an installment scheme, under judicial suspension, equal or less than 500 euro (basic debts, without interest and surcharges) and debts deemed uncollectible) cannot be pursued.

26. Supporting material. Monthly Information will be made available by the Independent authority for public revenue (IAPR) in the Tax administration monitor no later than three weeks after the end of each month, including:

- On stock, collection, and write off of tax debt (old, new, and by Large Debtors Unit (LDU));
- On the number of debtors under enforcement:
- On assessed taxes and penalties⁸, collection of assessed taxes and penalties, percent of fresh tax audit cases in total completed audits, the stock of priority cases for audit, and inflows and outflows of such cases. The data will be provided for large taxpayers audit center (KEMEP), high wealth individuals audit center (KEFOMEP), local and regional tax centers (DOYs), FAE, and investigation center (YEDDE).
- On stock, payment and rejection of tax refund claims (within or in more than 90 days during the period; for VAT, CIT, and PIT).
- On-time payment of VAT, income, and property tax: collection of taxes paid during the period before they become overdue. Amounts paid after they became overdue will also be mentioned in the table.
- Cases registered and closed by the Dispute Resolution Unit, with number of cases closed within the time limit (by explicit decision or by withdrawal of petition) and closed by implicit rejections. The table will also include suspension requests.
- There will also be a monthly report of the standard 15 tax collection tables by type of tax, by age of tax, by amount of debt due, by status of debtor.
- Installment schemes, with amounts and number of debtors.

J. KPI on Collections of Social Security Contribution

Progress in collecting social security contribution will be defined as reaching or exceeding the targets set in TMU Table 11.

27. Definitions:

- **Social security fund payment compliance** is defined as the ratio of the amount of current year social security contribution paid to the EFKA fund divided by the amount invoiced or declared for each reporting period, expressed as a percentage.
- **Supporting material.** A monthly submission no later than three weeks after each month-end is required from EFKA on the following: total amount of social security contribution paid (flow), total amount of social security contribution invoiced or declared (flow), amount of SSC debt transferred to KEAO' s and KEAO's SSC debt collection.

K. KPI on Public Financial Management

Progress in implementing public financial management reforms will be defined as reaching or exceeding the floor targets and staying at or below the ceiling targets as set in TMU Table 10.

28. Definitions:

- **Invoices received by the state** are the invoices or other equivalent documents consisting of a request for payment that have been submitted (accompanied by a submission document) by ministries to the fiscal audit offices (FAOs), or by suppliers to the general directorates of financial services (GDFSs) after the financial service responsibilities are

⁸ The assessments will also include, for consistency and completeness purposes, information about cancellations because of assessment errors which may occur several months after the assessments. The percentage of collection will be calculated on the net assessment amounts.

transferred from FAOs to GDFSs, for payment, which include the information on the date when line ministries received the invoice from suppliers or the dates as specified in the Late Payment Directive.

- An **unprocessed pension application** is an application filed by an insured or entitled person for receiving an old age, disability or survivors' pension. The pension claim will be counted as unprocessed if a decision on the validity and amount due under the claim has not been reached by the end of the month following the month in which the application was filed.
- **Actual all social security funds-to-EOPYY transfer** is the amount of cash transfer to EOPYY and the expenditures paid by all social security funds (SSFs) on behalf of EOPYY year to date. **The amount that should be transferred from all social security funds to EOPYY** is the revenue collected by all social security funds on behalf of EOPYY during the same period, calculated as 6 percent on full monthly net (after measures) pensions received by each pensioner, and 6.45 percent on monthly insurable earnings of each worker. The exact amount of insurable earnings is calculated ex post based on monthly filings of Analytical Periodic Declarations.
- **Medical claims submitted by public hospitals to EOPYY electronically** are claims (invoices and associated documents) using KEN-DRGs and/or hospital fees submitted to EOPYY electronically for insured patients on inpatient services with at least one night stay. No more than one claim is allowed for each inpatient service.

29. Supporting material. Monthly summary information on the following (i) stock of unpaid processed pension applications (number and total value of claims of the application); (ii) stock of unpaid non-processed pension applications (number and total value of claims of the application) provided by the Ministry of Labor; (iii) number of days and processing time of invoices received, invoices paid, and invoices rejected upon verification by the state government (including ministry of finance and line ministries), as well as invoices that have been neither paid nor rejected since the date of receipt of the invoice or the other dates as specified in the Late Payment Directive for a period longer than the ceiling days specified in the Late Payment Directive, (iv) the amount of all SSFs-to-EOPYY cash transfer, expenditure paid by all SSFs on behalf of EOPYY, and revenue collected by all SSFs on behalf of EOPYY, (v) the number of medical claims submitted by public hospitals to EOPYY electronically, and the number of inpatient services with at least one night stay, and (vi) the number of claims submitted by private entities (including private hospitals, clinics, diagnostic centers, etc) to EOPYY for insured patients and the number of full-scope audits conducted by EOPYY on those claims.

MONITORING OF FISCAL PRIOR ACTIONS

L. Post-programme package

a. Pensions

30. Prior Action: Adopt legislation to apply the new pension benefit formula to all retirees, eliminating the “negative personal differences” while ensuring that resulting reductions of main pensions do not exceed 18 percent to be fully implemented in 2019. Also, eliminate the remaining personal differences of supplementary pensions while ensuring that resulting reductions of supplementary pensions do not exceed 18 percent. The indexation of all pensions is suspended over the period 2019 – 22. In addition, Article 10 paragraph 2 in law 4387/2016 will be repealed and the criteria for granting family allowances for current pensioners will be aligned with those applied to new pensioners as describe in article 10 paragraph 1 in law 4387/2016. These measures will achieve annual net savings of 1 percent of GDP in 2019-2022.

31. Definition. From 1 January 2019, the main pension benefit formula as introduced in Pension Law 4387/2016 will apply to all current pensions and those subject to transitional arrangements in Article 6 of law 4387/2016 (recalibration), where the difference between the recalibrated and the current pension is called the individual personal difference (Article 14 paragraph 2 in law 4387/2016). This personal difference, if negative (recalibrated lower than current pension), is eliminated in 2019, with the resulting decline in the main pension, including family allowances, limited to 18 percent. The remaining negative personal differences will be eliminated according to Article 14 of law 4387/2016. From 1 January 2019, the supplementary pension benefit formula as introduced in Pension Law 4387/2016 will apply to all current pensions (recalibration), and eliminate the remaining personal differences, while the resulting decline in the supplementary pension is limited to 18 percent. In addition, inflation indexation (Article 14 paragraph 3 in law 4387/2016) is suspended for all pensions in 2019-22. These measures are expected to yield net savings of 1 percent of GDP in 2019-2022.

b. Income tax credit

32. Prior Action: a personal income tax reform to be implemented in 2020 and delivering net savings of 1% of GDP in 2020, 2021 and 2022;

33. Definition. As of 1 January 2020, the tax credit will be reduced by €650 from the current child-differentiated levels (ranging from €1,900 to €2,100) for wage, pension, and farming income in order to achieve savings of 1 percent of GDP (net of other measures).

	No children	One child	Two children	Three children
Previous	€1,900	€1,950	€2,000	€2,100
Prior Action	€1,250	€1,300	€1350	€1450

c. Expansionary tax package

34. Prior Action: a growth-enhancing tax package matching in net terms the yield from the personal income tax reform encompassing (i) a reduction in PIT rates and the solidarity surcharge with a medium-term fiscal impact of 0.8% of GDP; (ii) a reduction in CIT rates with a medium-term fiscal impact of 0.1% of GDP, and (iii) a reduction in property tax (ENFIA) with a yield of 0.1% of GDP;

35. Definition. A reduction in PIT rates and the Solidarity Surcharge with a yield of 0.8% of GDP. A reduction of the lowest PIT rate from 22% to 20% for pooled employment and business income and for farmer income (medium-term impact of 0.5% of GDP).

36. Definition: A reduction in Solidarity Surcharge. A progressive change in the schedule of marginal tax rates for Solidarity Contribution, while keeping the current income thresholds (estimated medium-term impact of 0.3% of GDP):

Tax base	Tax rate
0-12,000	0%
12,001-20,000	0%
20,001-30,000	0%
30,001-40,000	2%
40,001-65,000	5%
65,001-220,000	9%
220,001+	10%

37. Definition. A reduction in CIT rates with a yield of 0.2% of GDP in 2020. A reduction of Corporate income tax rates from 29% to 26% for all legal entities, with the exception of the credit institutions of bullet 1, paragraph 1, article 3 of law 4261/2014. For the latter entities, the Corporate income tax rate will remain at 29 %.

38. Definition. A reduction in property tax (ENFIA) with a yield of 0.1% of GDP;. The main ENFIA tax will be reduced by 30% for each taxpayer with a Total ENFIA Tax (Base + Supplementary) up to €700, up to a maximum reduction of €70. For beneficiaries of Article 7(1) of the ENFIA law 4223/2013, the above limit will be doubled. .

d. Expansionary expenditure package

39. Definition: Expenditure measures, the core features of which will be specified in the legislation of the post-programme package: (i) targeted social spending, which will include the implementation of a housing allowance (0.3 percent of GDP); an increase in the reformed child benefit (0.1 percent of GDP); school meals (0.1 percent of GDP); nursery/pre-school education (0.1 percent of GDP); means-tested reduction in health co-payments (0.1 percent of GDP); (ii) high-quality public infrastructure investments, including for energy efficiency, agriculture (0.15 percent of GDP); and (iii) eligible active labor market measures (0.15 percent of GDP). See table below that sets out the expenditure limits.

Growth-friendly Expenditure Measures - limits	€ million	% GDP
Social programs	1,430	0.7%
School meals	190	0.1%
Pre-schooling - nurseries	150	0.1%
Unified child-family benefit	260	0.1%
Housing allowance	600	0.3%
Pharma co-payment	240	0.1%
Infrastructure programs	300	0.15%
Energy efficiency	100	0.1%
Agriculture infrastructure	100	0.1%
Investment law	100	0.1%
Active Labour Market Programs	260	0.15%
Total expenditure	2,000	1.0%
GDP (EUR billion)	199	199

40. Definition: Conditions on eligible ALMPs as part of Post-programme expansionary expenditure package.

Definition. All ALMP measures eligible to be funded as post-programme measures must be developed and implemented in close co-ordination with existing ALMP programmes including those supported by EU ESF funding and with possible technical support from World Bank and after consultation with DG Employment of the EU Commission. Measures must be implemented in the context of the new delivery model for ALMPs (SMoU 2.5.3 and 4.1), making use of upgraded profiling methodology and individual action plans for jobseekers, as well as continuous evaluation of programmes. The mix of eligible ALMP measures can include:

- Job search assistance, group counselling and mentoring programmes
- Expanded youth guarantee schemes focussed on youths not in employment, education or training (NEETs)
- Training, job experience and apprenticeship schemes aimed primarily at the private sector with certification of acquired skills and qualifications.
- "Public works Plus" schemes with strong activation component including skill enhancement, aimed at the most difficult to reintegrate groups. GMI/SSI recipients should be particularly targeted.

The eligible schemes should not include long-term wage-subsidies or schemes aimed for highly-qualified workers in either the private or public sector. Training schemes should not include income support for beneficiaries.

M. Pension Reform

41. Definitions: The pension reform will be legislated in 2016 (Law 4387/2016) with the aim to achieve 1 percent of GDP in pension savings by 2018 (including about 0.9 percent from spending measures). It will also compensate for the fiscal impact of the 2015 Council of State ruling on the 2012 pension reform. The following provisions are needed to fully implement the new pension legislation :

- *EKAS.* The solidarity grant EKAS will be gradually phased out by end-2019 by reducing it by; €570 million by 2017; €808 million by 2018; and €853 million by 2019.
- *Contribution rules.* The contribution and pension base for all self-employed will be broadened and modernized, including by switching from notional to actual income, subject to minimum required contribution rules. The state financed exemptions will be phased-out, and contribution rules for all pension funds will be harmonized by end-2019 with the structure of pension contributions in IKA, consisting of a 20 percent contribution rate taking into account specific provisions for farmers (complete harmonisation by 1

January 2022) and newly insured independent professionals(through lower contributions during the first 5 years of activity, to be repaid in full before the end of the 15th years of contributions and by one-fifth any time the annual gross personal income exceeds euro 18,000).

- *Benefits for past higher contributions.* Benefits should be provided in a fiscally neutral manner based only on accrual rates as defined in the primary law.
- *Income base for self-employed.* As a prior action, the authorities will amend the pension law so that, starting from 1 January 2018, the contribution base for the self-employed is defined gross of social security contributions of the previous year. The contribution base is temporarily reduced by 15 percent in 2018, with no reductions thereafter.
- *Spending and contributions ceilings.* The ceilings will be set as temporary upper ceilings on the main pension payments of €2,000 per month and on multiple pensions at €3,000 per month (without any exemptions in both cases) and will be in force until end-2018. The ceiling for mandatorily insurable earnings for the calculation of the monthly insurance contribution of employees and employers, shall be ten-times the amount that corresponds to the entry-level basic salary provided each time for unmarried employees over 25 years old, currently at €586.08. This implies a ceiling for contributions at €5,860.80. Any reference to the minimum daily wage of an unskilled worker for determining pension rights is set as of the date of publication of Law 4387/2016.
- *Unified Harmonised benefit rules.* The rules on disability and contributory welfare benefits need to be unified by June 2018 in a way that does not increase expenditure
- *Recalibration.* The existing pensions will be recalibrated on the basis of the new parameters of the uniform pension rule applied to the pensionable earnings in current value, with the exception of OGA. The recalculation will be supported by the creation of automatic electronic records of retirees that, among other information, will include full details on the length of retirees' service histories and pensionable earnings. In cases these data are not possible to recover, imputation techniques to be agreed with the institutions will be used. For ETEAP insured persons retiring after the entry into effect of Law 4387/2016, accrued rights up to 2014 will be recalculated with an accrual rate of 0.45, to align them to the current NDC system and taking into account higher contribution rates than those specified with the harmonised contribution rules. The calculation of lump sum pensions will be revised to guarantee actuarial fairness.
- *Freezing of pensions.* The individual recalculation of the pension benefit must be finalised by end-December 2017 (key deliverable).
- *The recalculation and processing of pension applications.* At least 10% of all pension applications submitted between 13 May 2016 and end-December 2016 have to be recalculated and processed according to the new benefit rules (Law 4387/2016) by May 2017 and a further 20% by end-June 2017 (key deliverable) without any disruption to finalising the calculation of final pensions to previous applicants.
- *Processing of pensions:* The authorities will record data on insured persons targeting those with longer service history ensuring that 50% of the relevant data are entered in the system by December 2017, and the remaining 50% by end- August 2018.
- *Governance of social security.* The merging of all social security funds - with the exception of the welfare functions of OGA, the guarantee and credit functions of TSMEDE and the functions of NAT not related to pensions – will be implemented and all existing governance and management arrangements of existing funds will be abolished no later than April 2017.
- *Efficiency gains related to the merging of social security funds into EFKA.* The exact scope and timing for these efficiency gains will be set in an action plan to be adopted **as a prior action** with the support of technical assistance and will include binding quantitative targets for resource savings. Qualified personnel will be transferred to other administrations, including KEAO, the National Actuarial Authorities and EOPYY (the National Organisation for the Provision of Health Services), in order to strengthen their operational capacity.

- *Supporting documents: Ministerial Decisions:* All the necessary circulars (related to articles 7, 8, 12, 13, 28) and Ministerial decisions (related to articles 5.4, 18.11, 38.8, 38.10, 39.2, 39.18 40.12, 43.2, 45.5, 73.1, 52, 57, 70.2, 70.3, 70.10, 73.2, 80, 81.1, 81.3, 86, 87, 89 and 92.4 in Law 4387/16).
- *Helios reports:* As a prior action, the regular publication of the Helios reports, whose structure and content will be defined in agreement with the institutions, will resume.

N. Monitoring Healthcare Reform

Prior Actions

Reduction of Sectoral Clawbacks

42. The structural measures, adopted in agreement with the institutions, will contain excessive spending on diagnostics, pharmaceuticals and private clinics, and other items in the EOPYY budget not covered by clawbacks.

Definitions:

43. *Excess spending.* This refers to the difference between actual spending and the clawback ceiling

44. *Sectoral Clawbacks.* This refers to the excess expenditure that needs to be paid back by the private sector for each sector covered by clawback ceilings (pharmaceuticals, diagnostics, private clinics) net of the negotiated rebates.

45. *Other items.* This refers to all other items in the budget of EOPYY under the category "Other Illness benefits" that are currently not covered by the three sectoral clawback ceilings and includes, but is not limited to, those items that have seen an increase in budgeted expenditure according to the projections in October 2016.

46. *Supporting documents.* These include documents containing a detailed assessment of the sources of excess spending by area and a detailed set of measures addressing the identified drivers of excess spending. All the proposed measures must be accompanied by (i) a quantification of savings and by (ii) a timeline of implementation and by (iii) a timeline of savings realisation. The proposed measures must be of adequate magnitude to be able to deliver a future reduction of 30% of excess spending. This must include, amongst other measures, the necessary legislation, primary and secondary, formalising the establishment of a new clawback covering items in the aforementioned category "Other items". The overall clawback ceiling of EOPYY for health services provided to it by contracted private providers and included in the category "Other Illness Benefits", will be set as follows: EUR 1,470 million in 2017 and at most EUR 1,407.5 million in 2018⁹ to cover the vast majority of the total budget for this category (1525 million in 2017, to decrease to 1462.5 million in 2018 and return to the 2016 level of 1402 million from 2019 onwards). If EOPYY implements measures to increase revenues sufficiently, the spending ceiling may increase up to 1.525 million in the budget of the relevant year.

Publication of May Price Bulletin

47. The publication of the May 2017 price bulletin will contribute to contain excessive spending on pharmaceuticals as well as to the broader goal to lower the prices of pharmaceuticals.

Definitions:

⁹ According to the legislation, the decrease in the clawback ceiling will at least match the decrease in the total budget of EOPYY, which amounts to a reduction of 62.5 million in 2018.

48. *Price bulletin.* This refers to the final version, after corrections and revisions, of the full list of pharmaceuticals that have undergone pricing and re-pricing, covering producer, wholesaler and retail prices, with a specification of

- a. the three countries used for reference with the source of the information;
- b. the price of the previous year;
- c. the price corresponding to a Defined Daily Dose (DDD);
- d. the reimbursement/reference price of current and previous year;
- e. ATC4 (or ATC5);
- f. data to identify and describe the listed pharmaceuticals (producer, formulation and pack, barcode, a unique identifier code allowing to compare current bulletins with past ones to be able to observe price trends.

49. *Supporting documents.* The excel spreadsheet containing pharmaceutical prices and all the above listed additional variables should be forwarded to the Institutions, alongside the relative Ministerial Decree legislating the new pricing round. In addition, these documents should be accompanied by a spreadsheet containing the formulas used to derive the proposed pricing, with the reference to the relevant legislation, and the list of all exceptions, together with its rationale.

Incentives for Pharmacists

50. These measures will aim at supporting the penetration of generics and correcting the current distortion causing the mismatch between recorded prescription of generics by doctors and the recorded final dispensing of generics to the end-users (patients) by pharmacies.

Definition

51. Structural measures to improve the incentive structure and profit structure of pharmacies: These refer to a change in the way profit is currently determined for pharmacists, to modify their incentives in order to promote the penetration of generics. This definition of generics does not include off-patents and aims to support the goal to increase the share of outpatient generic medicines in the market.

52. *Profit as a positive function of prices.* This refers to the situation in which the profit of pharmacists is higher if they sell a drug with a higher price, which currently creates an incentive to encourage the purchase of higher-price drugs.

53. *Supporting documents.* The authorities must publish a Ministerial Decision revising the way net profit is currently calculated for pharmacists so that it is not a positive function of prices of pharmaceuticals, or in an alternative way as long as it produces a clear incentive to support generics penetration. This Ministerial Decision must be preliminarily agreed with the institutions. In order to weaken the link between profit and prices, the net profit margins will have to be set to make pharmacists indifferent, in terms of profit, between the sale of the cheapest available drug and any more expensive substitute drug., If that were not possible solely through the adjustment of the profit margins, supporting measures should be put in place to support the original measure on profit margins, including the adjustment of the prescription document retained by patients to display both the minimum and maximum price for the prescribed active substance and by setting a system of automatic checks for suspected irregular behaviour of pharmacists. This should be implemented by identifying outliers in terms of switching from a prescribed generic to a dispensed non-generic. Identified outliers should be subject to compulsory auditing and, where appropriate in case of assessed inappropriate behaviour, receive sanctions. In addition, the authorities should strengthen the existing tools for the monitoring of prescription by doctors, ensuring checks are automatic and that

follow-up actions, such as the application of sanctions and/or penalties, are implemented to complement the checks.

Final Clearance and execution of 2013 clawback for private clinics

54. This prior action will contribute to the elimination of the backlog of uncollected clawbacks for private clinics by taking stock of the outcomes of the auditing of the 2013 clawback for private clinics, for which payments had been suspended due to legal challenges. The latter led to an auditing procedure, to verify declared submissions by some providers, which has now been completed and can be acted upon.

Definition:

55. As a prior action, the authorities will make use of the final results from the auditing of private clinics of 2013 submissions, to proceed to the settlement of any amount under dispute.

Supporting documents:

56. By April 2017, the authorities will provide proof of final clearance and execution of the 2013 clawback by circulating:

1. the spreadsheet with the finalised re-calculations of the clawback accounting for the results of the auditing procedure
2. proof of the execution by sharing the draft communication to providers detailing the rectified amount and all the necessary administrative steps to finalise the procedure of collection or reimbursement (depending on the outcome of the audit and the results of the recalculation).

Legislation on Centralised Health Procurement

57. As intermediate step the authorities will adopt the Law on centralised health procurement, which will implement the first concrete steps towards reintroduction and strengthening of centralised health procurement; the authorities will also take concrete steps by December 2017 (and by December 2018, respectively), to increase: (i) the proportion of centralised procurement to 30 percent (and to 60 percent) of total hospital expenditure, (ii) the share of centralised procurement by hospitals of off-patent and generic pharmaceutical products by active substance to 1/2 (and to 2/3) of the total, in line with agreed targets.

58. **Definition.** Centralised health procurement refers to the process of procuring items featuring in the total expenditure of hospitals, including pharmaceuticals, medical equipment, consumables and services. This process should be open and transparent and, by being centrally organised, should exploit the increased efficiency of a single purchaser.

59. **Supporting material.** One legislative act is expected by April 2017, **prior action**, i.e. the Law on centralised health procurement. This Law should be accompanied by a document specifying a timeline of implementation of the overall plan on centralised health procurement, which should be used, by December 2017, to procure 30 percent of total hospital expenditure in terms of value and, by December 2018, to procure 60 percent of total hospital expenditure in terms of value. The plan should also contain a clear specification of the interim functioning of the existing centralised health procurement system, which should be guaranteed as functioning until the new system is ready to operate, as well as the Operational Plan, which contains the details behind planned implementation. The appointment procedures under the rules set by Law 4369/2016 must be started by September 2017 at the latest and completed by 30th of November 2017 at the latest, to ensure that by January 1st 2018 appointees under the new rules are in place. Provide on a regular basis (every six months, March and September) data on the shares of total hospital expenditure procured through the centralized procurement system.

Monitoring of all other Deliverables

Execution of claw backs and regular audit

Deliverable: Execution of claw backs and regular audit. Specifically:

- a. They will execute the claw backs according to the periodicity specified in the relevant legislation and perform regular audits. A note on the outcome of the auditing will be released every six months (June and December).
- b. They will apply and collect outstanding claw backs, continuously until they are cleared, for pharmaceuticals, diagnostics and private clinics. In addition, **as a key deliverable** EOPYY will offset outstanding clawback amounts for past periods (2013-2015) with accumulated arrears (50% by August 2017 and 50% by November 2017).
- c. They will continue to collect relevant data from EOPYY, the National Organisation for the Provision of Health Services, and regularly publish it (for each month t , reports are due until $t-2$), including through monthly reports with analysis and description of detailed data on healthcare expenditure in the areas of pharmaceuticals, diagnostics and private clinics (including information on the progress against the expenditure ceiling and clawback execution).
- d. To assess and improve the performance of health care providers, EOPYY will carry out systematic monthly auditing of private clinics; the authorities will make use of the results of the monthly auditing to ensure regular clearance and settlement of outstanding amounts. A note on the outcome of the auditing will be released every six months (starting from December 2016).

Assessment of public sector capacity

60. Deliverable. Develop by September 2017 an assessment of overall public sector capacity, including PEDY and hospitals, by region and by specialty, including equipment and availability of services, and use this to commission private providers per region subject to insufficient public capacity (by December 2017);

61. Definition. The authorities must carry out an assessment of overall public sector capacity, similarly to what has been done for Primary Health Care, to ensure that recourse to private facilities is justified based on transparent criteria linked to the assessment of insufficient public capacity at a given geographical area and at a given time.

62. Supporting material. Reports on the various steps towards the formulation of the assessment should be provided well in advance of the deadline to be able to monitor progress. Alongside information on planned assessment of public sector capacity and parallel circulation of any preliminary set of information that should become available, the authorities should provide intermediate notes detailing how the system of e-referrals (see Deliverable "System of e-referrals" below) to private clinics under development will account for the assessment of public sector capacity.

Reduction of Sectoral Clawbacks

63. Key Deliverable. By December 2017 adopt further structural measures, in agreement with the institutions, to contain excessive spending on diagnostics, pharmaceuticals and private clinics, and other items in the EOPYY budget not covered by clawbacks, as needed, to ensure that the estimated gap between spending for 2018 and the claw back ceilings is reduced by at least an additional 15 percent compared to the previous year. The achievement of the spending targets will be assessed biannually in June and December. Progress will be assessed regularly (bimonthly starting from November 2016).

64. Definition.

Excess spending. This refers to the difference between actual spending and the clawback ceiling

Sectoral Clawbacks. This refers to the excess expenditure that needs to be paid back by the private sector for each sector covered by clawback ceilings (pharmaceuticals, diagnostics, private clinics) net of the negotiated rebates.

Other items. This refers to all other items in the budget of EOPYY under the category "Other Illness benefits" that are currently not covered by the three sectoral clawback ceilings and includes, but is not limited to, those items that have seen an increase in budgeted expenditure according to the projections in October 2016.

65. Supporting material. These include documents containing a detailed assessment of the sources of excess spending by area and a detailed set of measures addressing the identified drivers of excess spending. All the proposed measures must be accompanied by (i) a quantification of savings and by (ii) a timeline of implementation and by (iii) a timeline of savings realisation. The proposed measures must be of adequate magnitude to be able to deliver a future reduction of 15% of excess spending. This must include, amongst other measures, the necessary legislation to introduce the proposed measures. Notes with clawback quantification (or estimates in their absence) must be provided in June and December.

Roll-out of primary care

66. Deliverables. Adopt the necessary legislation for the implementation of the roll-out of Local Health Units and start the implementation. EOPYY to adapt the way it provides primary health care by introducing compulsory registration and gatekeeping. ;

67. Definition. The authorities will adopt the necessary legislation of the roll-out of Local Health Units (TOMYs) by May 2017. This law should envisage the implementation by June of 50 TOMYs, as the first step towards the establishment of at least 240 TOMYs by June 2018, thereby achieving coverage of 35% of the total population. As a precondition to the establishment of TOMY units, adequate training will be provided to the staff. Within the same framework, EOPYY will adjust the way it provides primary health care by implementing compulsory registration with a GP, to act as a gatekeeper in charge of referrals to specialists, which should become fully operational by 1st January 2018. As an intermediate step, by June 2017 EOPYY will adjust its current contracting of private GPs, for all patients to be registered with their GP by November 2017. As another intermediate step, by June 2017, the authorities will submit a full action plan, detailing the planned timeline of the roll-out as well as other relevant details such as the planned geographical distribution of TOMY units. In addition, by June 2017 they will formulate an action plan for the introduction of gatekeeping envisaged to be implemented by 1st January 2018 (**key deliverable**). In this process, the authorities will ensure an efficient use of public resources by decreasing the stock of private GPs contracted by EOPYY by the corresponding amount of the new capacity created by the gradual establishment of new TOMYs. In other words, new capacity generated by new TOMYs will replace the supply by private GPs so as to avoid duplications. The authorities will incorporate this commitment in the abovementioned legislation to be adopted by May 2017.

68. Concrete deliverables. Legislation necessary for the roll out of primary care by May 2017: A note on short term training needs and planned implementation by May 2017. EOPYY to finalise the new contracting of private GPs by June 2017; action plans (roll-out plan and planned introduction of gatekeeping) to be received by June 2017, 50 TOMYs to be fully operational by June 2017, 200 by December 2017, 240 by June 2018. Implementation of gatekeeping to begin by 1 January 2018.

Academic curricula and training

69. Key Deliverable. Adapt the current system of learning and training to cater for the needs of the establishment of a nation-wide system of primary health care;

70. Definition. An adjustment of academic curricula and training must be carried out to ensure that the development of primary care can build on adequate capacity in terms of human resources. The proposed change must be commensurate with the expected necessities of the system. The creation/establishment/adjustment of academic curricula and or professional training must ensure that enough capacity is created to support the existing one and the proper functioning of the proposed primary health care system model.

71. Supporting material. By June provide a plan (first elements to be implemented within academic year 2017-18) in collaboration with the Ministry of Education, the medical faculties, the Central Health Board and the Medical Association to restructure academic curricula and specialty training in medicine in order to increase the availability and enhance the training of general practitioners.

System of e-referrals

72. Deliverable. Develop and document a plan to implement a new system of electronic referrals (e-referrals) to secondary care to be used by family doctors to pre-approve referrals to private sector providers

73. Definition. Develop and document, by June 2017, a plan to implement a new system of electronic referrals (e-referrals) to secondary care based on the e-record and integrated with existing protocols and guidelines. Priority should be given to referrals to diagnostics and elective surgery, for which the system needs to be developed by November 2017. By December 2017, this system, to pre-approve referrals to private sector providers, should also make use of all the available information waiting times (any available indicator at that time), and/or of the mapping of public sector (all the available information at that time).

74. Supporting material. Information notes on the various steps towards the development of the system should be provided, including initial planning, to be able to monitor progress on a quarterly basis, starting from June 2017. Alongside information on planned development of the system, appropriate legislation formalising the criteria to authorise the use of private sector providers must be drafted in parallel and shared by June 2017. The criteria should be linked to public capacity to provide the service in question and to the waiting times to access it. Progress towards this long-term goal will be assessed every three months.

Monitoring of waiting times

75. Deliverable. Reduce waiting times (including for elective surgery) in line with other EU countries and reduce unwarranted variation in waiting times across providers and patients (including across socio-economic and other patient characteristics).

76. Definition. Bring the level of waiting times in line with other EU countries, should it not already be in line. In addition, eliminate variation in waiting times within Greece. To determine this, start to publish the first available figures to reach 50% of the most relevant procedures by volume by June 2017. In addition, to support the efficiency of the system, the system of monitoring should be integrated with the system of e-referrals and finalised by December 2017, with a fully developed monitoring of patients' waiting times by treatment

77. Supporting material. To this end, the authorities will, by May 2017 (in excel format accompanied by a short explanatory note), start to publish the first available figures on waiting times and, by July 2017, they will publish waiting times for at least 50% of the most relevant procedures by volume (in excel format accompanied by a short explanatory note). The system of monitoring should be integrated with the system of e-referrals and finalised by December 2017, with a fully developed monitoring of patients' waiting times by treatment.

Pharmaceuticals management

78. Deliverable. Further reduce pharmaceutical prices through the negotiating committee and HTA

79. Definition. They will make use of the negotiating committee to develop price volume and risk agreements, such as MEAs (Managed Entry Agreements), especially for innovative and high cost drugs. In deciding whether or not to introduce new innovative drugs in the positive list and in public hospitals, within the timetable specified in the European Directive 89/105/EC "Transparency Directive", they will duly take into account international best practice, i.e. innovative drugs cannot be added to the positive list unless having been previously reimbursed in 2/3 of the countries in which they circulate (at least 9). Additionally 50% of the countries in which the drugs are reimbursed must have an HTA in place. They will set-up a

Health Technology Assessment (HTA) centre to evaluate which products to reimburse and under what conditions and agreements, in line with existing guidelines and with evidence of best-practice in the EU by July 2018. As an intermediate step and **key deliverable**, toward the creation of a full-fledged operational HTA centre, they will establish an HTA Committee, responsible for carrying out a revision of all the innovative medicines introduced in the positive list since January 2013, with the aim of eliminating those that are not deemed to be cost-effective, according to international best practice (by July 2017).

80. Supporting material. They will report on the progress of the negotiating committee in developing price volume and risk agreements, producing explanatory notes in March and September. When necessary they will produce notes to document the decision making process prior to the introduction of new innovative drugs in line with international best practice and with EU Directives (as per above). They will document progress in terms of planned institutional settings, human resources and training, and regulatory framework needed to fully establish a HTA centre, producing explanatory notes every six months, in June and December, starting from June 2017.

Increase generics penetration

81. Key Deliverable. Increase generics penetration by volume to 40 by December 2017; to reach 60 percent by December 2018).

82. Definition. This definition of generics does not include off-patents and aims to support the goal to increase the share of outpatient generic medicines in the market through the adoption of a potential array of measures changing incentives to providers and/or consumers in a way that would promote generics. Amongst other possible measures, public campaigning should be started and documented by June 2017 (and onwards); in general the authorities should introduce measures to increase the share of outpatient generic medicines by volume to 40 (by December 2017; to reach 60 percent by December 2018).

83. Supporting material. Evidence of introduction of measures and of progress towards generics penetration goals (share of outpatient generic medicines by volume to 40 by December 2017; to reach 60 percent by December 2018).

Adopt DRGs

84. Deliverable. Implement DRGs by June 2018.

85. Definition. Introduction of activity-based costing (DRGs or suitable alternative) under technical assistance with regular and documentable proof of progress towards the long-term goal (June 2018 all hospitals to be covered).

86. Supporting material. By June 2017, they will deliver a plan to adopt DRG or other international standard activity-based costing methodology in all hospitals and every six months document progress towards the implementation; by December 2017 they will start the gradual implementing of the new DRG or alternative activity-based costing system, in order to cover all hospitals to be covered by June 2018. Progress updates to be delivered every six months, June and December.

Recurring health care commitments (reporting and/or actions)

87. Deliverable. Maintain a regular flow of information concerning all the future deliverables, and especially regarding all the agreed commitments to regularly produce and circulate reports and/or compute/publish data and indicators.

88. Definition. A list of reports and recurring deliverables to allow for effective monitoring of progress in all areas.

89. Supporting material.

- a. Annual report on human resources for the whole health care sector to be used as a human resource planning instrument with a focus on PHC (1st report in May 2017); monthly EOPYY reports with analysis and description of detailed data on healthcare expenditure in the areas of pharmaceuticals (including information on the expenditure, the expenditure ceiling and progress in clawback execution distinguishing actual clawback and rebates).
- b. Monthly EOPYY reports on diagnostics and private clinics (including information on the expenditure, the expenditure ceiling and progress in clawback execution distinguishing actual clawback and rebates) should be received for each month t with until month $t-2$.
- c. Financial reports of EOPYY (should be received for each month t with until month $t-2$), which should contain detailed tables displaying the calculated amounts of clawbacks and rebate by each item for which an expenditure ceiling is defined by law (pharmaceuticals, diagnostics, private clinics, other items), together with the collected and uncollected clawback amounts (by each item and distinguishing by pure clawback and rebates).
- d. A note on the outcome of the auditing of private clinics must be released and sent every six months (starting from December 2016); a report based on monitoring of unwarranted access to emergency care must be released every six months (June and December, starting December 2016).
- e. By June 2017, information notes with the first available figures on waiting times must be provided; by July 2017 publish waiting times for at least 50% of the most relevant procedures by volume.
- f. Quarterly (January, April, July, October) and yearly (March/April) reports on:
 - i. a set of activity related (input, process, output, outcome) indicators for public hospitals;
 - ii. financial data for public hospitals;
 - iii. public hospital performance based on benchmarking indicators.
- g. Price bulletin every six months (May and November).
- h. Positive and the negative list (March and September) to be updated on a regular basis and at least every six months. Communication and explanatory notes on the regular update of the positive and negative list (March and September).
- i. Regular (on a quarterly basis) information on the calculation and planned execution of clawbacks and rebates including (total amount distinguishing clawback and rebates, amount collected).
- j. Progress notes on the finalization of the e-record for patients (progress to be assessed based on produced notes, which must be delivered every six months June and December).
- k. Report on progress towards implementation of universal coverage and Primary Health care System (this will be assessed biannually in June and December).

MONITORING OF FISCAL ACTIONS ADOPTED IN FIRST REVIEW

O. Fiscal Measures entering into force in 2018

90. *Dodecanese reduced rate on alcohol excises:* the current 50 percent reduction of excise duties on alcoholic beverages in the Dodecanese islands will be removed from 1st January 2018.

91. *Overnight Stay Hotel tax:* a new "City tax" will be introduced from 1st January 2018 on hotels and rented rooms. On hotels the tax per room per night will be set at €0.50 for 1- and 2-star hotels, €1.5 for 3-star hotels, €3 for 4-star hotels, and €4 for 5-star hotels. For rental rooms the tax per room per night will be set at €0.50.

P. Attrition Rule

92. Definition. The ratio of hiring during the year (excluding carryover from previous years) to exits during the previous year (including retirements and separations other than due to disciplinary procedures or verified illegal recruitment) for the general government. Effective 2016, hiring or re-hiring resulting from re-entering service due to the increase of statutory age of retirement, and mobility within the public sector (except from Chapter B companies) are exempt from the calculation. The ratio of hiring to exits due to disciplinary procedures or verified illegal recruitment is one to one. Conversions of temporary contracts into permanent contracts following a final Court decision will require action to ensure adherence to the projected wage bill in the 2018-21 MTFS.

93. Supporting material. Monthly report (15 days after the closing of each month) on the stock of total employment, new hiring and departures by entity for the general government of permanent staff include exits due to disciplinary cases and illegal recruitments as well as the stock of total employment by entity for the general government of both permanent and temporary staff. Monthly report on ESPA workers employed in the general government aggregated and by entity, also to be included to the Apografi database.

Q. Contingent Fiscal Mechanism

94. Definition. For the purposes of paragraph 10a of article 233 of law 4389/2016 (FEKA94), the transition, from the general government result communicated by Eurostat to the terms of the Financial Assistance Facility Agreement, is made as defined in section G of this document, the resulting value being increased by the amount of any state expenditure in excess of 0.15% of GDP made as a result of standardized guarantee calls pursuant to the provisions of sub-sections bb and cc of case a of paragraph 1 of article 1 of law 2322/1995 as currently in force.

95. Definition. In the case where the contingency fiscal mechanism (Article 233, L. 4389/2016) is activated, the expenditure adjustments should be calculated taking into account any negative impact on general government revenues such as direct taxes and social security contributions that will result, so that the fiscal savings from these expenditure adjustments *net of any negative impact on revenues*, are equal to fiscal adjustment needed to correct any deviation identified (as outlined in paragraphs 3 and 10a of article 233 of L. 4389/2016). The net fiscal savings from the expenditure adjustments will be calculated by subtracting the following shares from the gross savings estimates: (i) pensions: 15 percent; (ii) wages and salaries: 45 percent; (iii) goods and services: 19.3 percent (iv) other categories: 0 percent. In the case where the contingency mechanism is activated and a Presidential Decree is issued to adopt expenditure adjustments, the maximum downward adjustment to discretionary expenditure categories will not exceed 5% the budget ceilings of the respective category for the year of application. Discretionary expenditure categories are defined as all those categories that do not involve pension benefits (main, supplementary, lump-sum, EKAS) nor public sector salaries/wages

96. Supporting material. As outlined in paragraph 9 (b) of the legislated mechanism, in the event of under-performance in the real GDP growth rate in excess of 0.5 percentage points, the deviation to be corrected with expenditure cuts under the Mechanism will be reduced by half of the difference resulting from the projected real GDP growth rate in the table below and the real GDP growth rate as reflected in the annual ELSTAT announcement for March.

Table 8. Macroeconomic projections

	2016	2017	2018
	Act.	Proj.	
Real GDP (y-on-y % change)	0.0%	2.1%	2.4%

Source: Greek Authorities; EC, ECB and IMF staff.

R. Independent Revenue Agency legislation

97. Definition. A primary legislation setting up the Independent Revenue Agency has been adopted in line with the agreed policy paper. Specifically, the Agency is an independent administrative authority, is not subject to hierarchical control of the Minister of Finance, has a Management Board and a Head selected in a transparent manner, has its own General Directorate for Financial Services and a

minimum level of budget which will observe the overall spending limits of the MTFS across general government, has a flexible human resources policy taking into account the need for autonomy of the Agency, will benefit from recruitments needed to reduce the vacant positions to a normal level and consistent with the overall attrition rule of the general government, and has a sufficiently independent IT system through the a service level agreement to be signed as a Prior action.

Supporting material: Legislation, reports, or notes on each of the key actions above.

MONITORING OF DELIVERABLES

S. Merger of Pension Funds (End-December, 2016)

98. Deliverable. Complete the transfer of all insured individuals into a single social security entity.

99. Definition. A single unified pension fund (EFKA) for all retirees will focus on benefit expenditure and customer service with streamlined business processes, single management and unified account. By end-2016 all insured persons and related data will be merged and integrated into EFKA. All other social security funds with the exception of non-pension insurance activities of OGA, NAT and TSMEDE will be eliminated and all existing governance and management arrangements of these funds will be abolished no later than March 2017. A single contributor register will be created by September 2016. Remuneration of staff of EFKA and selection for managerial positions and Management Board will be based on laws 4354/2015 on unified wage grid and 4369/2016 on selection of managers. Civil servants will not receive additional compensation for participating in National Social Security Council or other similar committees.

Supporting material: Reports on the various administrative steps and legislation towards the unification of benefits and the merge of collections into the tax administration.

T. Merger of social security contributions.

100. Deliverable: During a transition period, the collection of current Social Security Contributions from all funds will be integrated temporarily into EFKA; overdue SSCs will be collected by KEAO as a unit within EFKA. The collection of social security contributions will be merged into the IAPR by end-2017. The authorities will produce by March 2017, a policy paper laying out the key features, steps and timeline of this reform.

Supporting material: Policy paper.

101. Deliverable: In order to ensure that all SS debt is transferred from the EFKA fund to KEAO. The authorities will inform monthly the institutions about the state of play. The authorities will take by end May a decision on immediate information of KEAO in case of drop out of an installment scheme.

Supporting material: The authorities will produce monthly the following information: data for each fund on how many live instalments, how many debtors in instalments, how much debt in instalments and how much income. They will also produce the procedure.

102. Deliverable: KEAO's business process will be reviewed and adapted.

103. Supporting material: Legislation giving access to KEAO to relevant tax administration data to KEAO. Regulations on business process by the Governor of EFKA.

U. Revenue Agency implementation

104. Definition. The revenue agency is fully implemented when the independent board is in place and it has elected its chair, when the legislation has been passed to allow for travel and accommodation expenses for the board members, when the budget has been voted and the GDFS is in place, when the 2016 recruitments took place and the Service level agreement has been signed and when all the key managers have been selected or assessed.

Supporting material: Legislation, reports, or notes on each of the key actions above.

V. Revenue agency Human resources policy

105. Definition. The revenue agency human resources policy is defined when a policy paper has been adopted by the management board.

Supporting material: policy paper.

W. Large Debtor Unit and KEAO triage of large debtors

106. Definition: The authorities will launch a process ensuring the triage of the large debtors on the basis of the analysis of economic and financial data to determine their viability, starting by the debtors of the Large debtors unit and of the KEAO. Internal circulars issued by the IAPR Governor and the Governor of EFKA will define the methodology for establishing the viability and capacity to pay of large tax and Social Security debtors. The circulars will require analyzing historical financial performance (when available) of the tax and Social Security debtors as well as their willingness to pay. The analysis of past financial performance (first stage of assessment) will take into account the following parameters, when available: (i) the growth of the company, measured as the sales over the last 3 years; (ii) profitability, measured as the ratio of EBITDA (earnings before interest, tax, depreciation and amortization) to turnover or to capital employed; (iii) liquidity, measured as the ratio of assets to short-term debt; and (iv) leverage ratio, measured as the ratio of debt to EBITDA or to equity. The analysis of willingness to pay will include: (i) paying patterns towards the IAPR and the KEAO, measured through the percentage change in the outstanding tax and Social Security debts; (ii) responsiveness, measured through the frequency and speed of the debtor's response to inquiries from the IAPR and KEAO; and (iii) settlement status, distinguishing whether the debtor is under a settlement plan and on track (i.e. not delinquent). Each of the above parameters will be given a weight, which will allow attributing a score to each debtor and classify the debtor into viable, potentially viable, and non-viable group. The circular will set a deadline for the issuance of further guidance by end-December to require an in-depth performance assessment second stage of assessment for the large tax and Social Security debtors for which it will be necessary. It will consist of an in-depth performance assessment, may be outsourced and may use information such as sector potential (e.g. growth potential of the sector and competition intensity), business performance (e.g. projected future financial performance, brand, product quality, quality of assets), and management quality (e.g. technical skills).

Supporting material: Copies of the circulars issued by the IAPR Governor and the EFKA Governor, describing the methodology to classify tax and Social Security debtors according to capacity to pay (as described above and in line with the PWC report).

X. Monitoring measures against smuggling

107. Definition: The authorities will produce data allowing the monitoring of the anti-smuggling strategy.

Supporting material: the following data will additionally be submitted: (i) for smuggling of fuel: VAT and excise tax receipts from energy products: petrol, diesel (heating and motor), LPG (heating and motor), kerosene, heavy fuel oil. Releases for consumption of energy products Number of GPS systems installed on tankers. Number of installations (fixed (above ground & underground) + mobile (land & maritime transport) involved and equipped with the inflow-outflow system, Fuel volumes included in monitoring system and as proportion of fuel production plus imports. Number of specific actions executed to combat fuel smuggling, initiated by the strategic / operational plan of combatting illicit trade of oil products (total + by agency involved); Number and quantity of fuel seizures made. Number of criminal prosecutions initiated in relation to fuel smuggling cases (outcomes of prosecutions to be included in implementation report); (ii) Similar indicators for alcohol and tobacco. The methodology for the calculation of the Fuel volumes included in monitoring system and as proportion of fuel production plus imports will be defined, in agreement with the institutions, by an internal decision of the authority by March 2018.

108. Definition: registration of equipment and license warehousing refers to tobacco supply chain products.

Supporting material: action plan by June 2017 and quarterly updates until completion.

Definition: The authorities will produce and update an action plan on the implementation of an efficient fuel marker system. The plan will notably include the following: A draft of a Joint Ministerial Decision for the determination of technical matters concerning the marking of liquid fuels will be submitted to the European Commission by end June 2017. The public call of interest for submissions of proposals for a fuel marker system suitable for use will be published by the end of October 2017. The fuel marker/s system will be chosen by end April 2018 and a full scale application is expected in January 2019.

Supporting material: action plan monthly updates. Draft JMD. Draft notice on call for interest.

109. Definition: Three main international ports will include the ports of Piraeos and Thessaloniki. The third "port" may be a land entry point, defined in agreement with institutions by June 2017.

Supporting material: Report on installation of the scanners and, if needed, rationale for installing in an land entry point.

Y. Publication of names of Tax and social security debtors

110. The authorities will publish and regularly update the list of large debtors of tax and social security contribution having 150 000 euros of debt and above for more than three month. Debt under an interlocutory injunction, a judicial decision, a suspension act of an administrative body, debt under an instalment schemes for which the conditions are being respected, debts characterized as uncollectible will not be published.

Supporting material: Link to publication website.

Z. Property Valuation (End-December, 2017)

111. Key Deliverable. Align property assessment zonal values with market prices (SMoU section 2.1).

112. Definition. Property assessment zonal values will be aligned with market prices with the assistance of Technical Assistance: (i) set up property revaluation working group and high-level steering group involving Bank of Greece and ELSTAT by end-June 2017 (ii) compile all required data, complete classification of properties and determine the nature of the value based and valuation methodologies relevant to individual categories of properties by end-July 2017; (iii) improve the capacity of the real property valuation unit by hiring or contracting experienced valuers and forming a dedicated property revaluation team by end-September 2017; (iv) initiate the development of a permanent IT platform for property revaluation by end-September 2017 with project end-date of December 2017; (v) pass legislation to align property assessment values with market prices by end-December 2017; and (vi) issue ENFIA bills based on new assessment values by end-August 2018. In case the new property assessment values result in a short fall in ENFIA revenue against the budget target of €2.65 billion, the ENFIA tax base will be broadened and tax rates adjusted to reach that revenue target to preserve the fiscally neutral character of the reform.

MONITORING OF FINANCIAL SECTOR CONDITIONALITY

AA. NPL monitoring and targets for banks

113. Key deliverable.

- Submit bank-specific targets for key operational and financial indicators, consistent with achieving reduction of the aggregate stock of NPLs to sustainable levels by the end of the programme, on a quarterly basis. (March, 2017)
- Publish KPIs for banks relative to agreed operational targets, on a quarterly basis. (End-November, 2016)

114. Definition.

- *Monitoring framework:* It encompasses operational and financial indicators that enable the analysis of the evolution of the banks' NPE portfolios and allow for the identification of underlying drivers at the level of specific banks as well as the entire system. The monitoring framework will be based on reporting template "ECA 102" (revised ECA 42), which was extended to include all necessary data points on banks' NPL and NPE ratios, provisions, restructurings, collections, forgiveness and write-offs. Migration matrices will be used to monitor flows between relevant loan states in line with the EBA reporting standard. Information on the distribution of loan reductions as a result of modifications and redefault rates will be used to analyze the sustainability of restructuring agreements. The efficiency of the restructuring procedures will be measured by operational indicators that follow restructuring cases along key process steps such as client contacts, offer and acceptance of solutions. Banks will submit data to the BoG, initially on a quarterly basis, on a solo basis (foreign operations will be excluded) segmented by portfolios: (i) Consumer, (ii) Residential mortgage, (iii) SBP, (iv) SME, (v) corporate (excl. shipping), (vi) shipping. From end-2017, after banks have established internal processes to automate reporting as much as possible, data will be submitted on a monthly basis.
- *Targets.* As of July 1, 2016, a subset of the monitored indicators has been set as forward-looking quarterly targets, initially covering NPE/NPL evolution, sustainability and procedural indicators. The calibration of the targets is agreed per bank and – where appropriate – at sub portfolio level. The targets are consistent with achieving a reduction of the aggregate stock of NPLs to well-defined sustainable levels by the end of the target horizon.
- *Frequency.* Targets are defined for a three-year horizon; for the first year on a quarterly basis for the following year (four quarters), and for the then following two years on a yearly basis. The targets have been established for the first time for the third quarter of 2016, and agreed with the banks by June 2016. The targets will be updated on a quarterly basis considering past performance as well as changes to a bank's NPL strategy and reflecting changes in the economic, legal and operational environment.

115. Supporting materials. Quarterly and – as soon as available – monthly data reported according to the extended template "ECA 102" for each of the individual banks as well as aggregated on system-wide level. Targets for individual banks as well as aggregated on system-wide level. The BoG will also make available any analytical reports derived from the banks' data submissions.

BB. Roadmap for the relaxation of capital controls (prior action)

116. Prior action. Adopt and publish a milestone-based roadmap for the liberalization of capital controls.

117. Definition.

- The roadmap will describe the sequencing of steps towards the relaxation of currently applicable capital controls and withdrawal restrictions. These steps will not be time-bound and will be objectively connected to measurable signals of the state of confidence

in the banking system. To that end, the Bank of Greece will report liquidity and funding indicators to the institutions.

118. Supporting materials

- *Reporting entities.* Bank of Greece will submit to the institutions bank-specific data for each of the systemic institutions and aggregate data for the remaining of the sector in a timely manner.
- *Monthly data on deposits.* Deposit stocks will be reported by category (individual, business, government), by size bands (e.g. 5k, 50 k, 100k, 500k, 1m, 5m, 10m), by domicile (Greece, EA outside Greece, outside EA), by type and maturity structure (current account, time deposits by the remaining months until maturity, savings) and by currency. The number of accounts and the number of depositors in each size band and depositor category will be reported. Flow transactions will be reported gross and by category (cash pay-ins and withdrawals, wire incoming and outgoing transfers by domicile of the counterparty).
- *Liquidity indicators.* In addition to banks' cash buffers, monthly data will be provided on banks' liquidity buffers, including unencumbered collateral at book and estimated liquidity value.
- *Funding data.* Monthly data on funding will distinguish between central bank funding, private market refinancing transactions (secured repos and unsecured borrowing) and intra-group transactions.

CC. Out-of-Court Workout (OCW) Law (prior action and key deliverable)

119. Prior action. Establish a new out-of-court workout framework (OCW).

120. Definitions. The OCW legislation will specify:

- *Scope of the regime.* The OCW legislation will be applicable to all enterprises, including individual entrepreneurs. All elements of debt, towards the State, social security and private sector, should be considered as part of the restructuring plan.
- *Information requirements.* Access to the debt restructuring mechanism will require the debtor to share information on all his debts, assets, and sources of income.
- *Eligibility test.* The legislation will define basic principles for an eligibility test using standard metrics (positive EBITDA) which will serve as a preliminary filter to exclude enterprises that are clearly not viable.
- *Debt restructuring proposals.* For viable debtors these will specify – commensurate with the complexity and size of the case – the contents of the restructuring measures (among others, rescheduling, write-downs, debt/equity swaps, or a combination of measures) designed to restore the debtor to long-term viability, based on, where applicable, market valuations of assets and projections founded on accurate financial statements and credible business plans. The plans can also include operational restructuring measures (changes in management, fixed assets, commercial relationships, etc.). No debt restructuring proposals will be offered to unviable debtors.
- *Coordination and decision making mechanism.* The law will require that debt restructuring agreements be adopted by a qualified majority of voting creditors, and that non-action by creditors duly notified to participate will not prevent the adoption of debt restructuring agreements if the attendance quorum has been met.
- *Rapid Court confirmation.* The law will set a short period for the possible ratification of debt restructuring agreements by the courts. However, the agreement will take effect upon its conclusion and the court may grant interim measures to prevent enforcement action by dissenting creditors while the confirmation application is being processed. At confirmation, the court can examine complaints presented by dissenting creditors based on the violation of the compulsory distribution rules or in procedural and substantive irregularities which had a decisive influence in the adoption of the agreement.

- *Stay of creditor actions.* The law will stipulate a stay of creditors' actions only after the completeness of the application of eligible debtors has been determined and the invitations to take part in the proceedings have been sent to the creditors. The stay will be automatically lifted in case the participation quorum is not reached. The initial stay period may be extended, for a maximum period of four months, by means of a court order provided the participating creditors representing the majority of claims consent.
- *Link with insolvency legislation.* The law will facilitate the initiation of the insolvency procedure in case of lack of compliance with the restructuring plans or in case the debtor has been assessed as non-viable.
- *Treatment of public claims:* all claims of the State, including tax and social security claims, but excluding withheld taxes and social security contributions for employees, will be subject to rescheduling and write-down, in conformity with the assessment of viability of the enterprise and resulting in an improved recovery in comparison with the liquidation of the enterprise. 95% of tax related fines and 85% of surcharges will be subordinated to facilitate the restructuring, and cancelled only at the successful completion of the restructuring plan. Penalty interests on the private sector's claims will be subordinated in full.
- *Treatment of guarantors:* the law will protect the position of those creditors who benefit from the guarantee of a third party and wish to enforce the claim against the guarantor, by providing them the right to abstain from the procedure without being bound by the restructuring agreement among the debtor and the other creditors.

121. Key deliverable: Implement the OCW framework and adopt the Ministerial Decisions (end-June and end-July 2017)

122. Definitions. Implementation measures: The authorities will take any measure necessary to ensure the smooth implementation of the law and to handle the high number of expected applications in an efficient and orderly manner in anticipation of the entry into force of the law. This includes:

- The Secretariat for Private Debt will publish an invitation to submit expressions of interest to be listed in the Coordinator register. The Secretariat for Private Debt will put in place all necessary processes to appoint all coordinator positions within 10 business days after the lapse of the application deadline. The Secretariat for Private Debt will select and register all coordinator positions (by end-June 2017), will provide training to the coordinators and establish the necessary processes and organization for the supervision of coordinators (by end-July 2017).
- The Secretariat for Private Debt will implement and publish a mechanism applied to manage the processing of applications, in order to enable the smooth processing of applications. The mechanism, which will be consulted with creditors (including banks – also as presented by the Hellenic Banking Association – and public creditors such as the tax administration and social security entities) and aim at maximizing throughput of the framework, and provide adequate incentives for involved parties, including creditors, to maximize their case handling capacity. The mechanism will provide for the distribution of capacity to process different classes of debtors, for example small and large cases, in a proportionate way. The mechanism will be published by the Secretariat for Private Debt. The Secretariat for Private Debt will also put in place initial processes and means to monitor the progress of cases and to identify potential operational and policy impediments (end-July 2017).
- The Secretariat for Private Debt will implement and operationalize the first functional package of the web-based system used to file and process applications and eventually to handle the majority of case-specific communications. The first functional package will provide a website where applicants can submit applications and all supporting documentation as required by the law, without resorting to paper-based communication between borrowers, creditors (public and private), coordinators and the Secretariat for Private Debt, for the initial application step (end-July 2017).
- The Secretariat for Private Debt will prepare and post on its website educational material targeted to i) borrowers, including less-sophisticated ones, and ii) relevant professionals such as lawyers, coordinators, accountants, banks, etc. providing detailed information about the OCW process and

the rights and obligations of all involved parties. The Secretariat for Private Debt will also hold scheduled trainings and seminars for coordinators and relevant professionals (end-July 2017).

- *Ministerial Decisions (end-June 2017) and Circulars (end-July 2017)*: Ministerial Decisions and corresponding Circulars of article 15 par. 14 and 20 will be adopted specifying the procedures, conduct and actions of the tax administration and social security officials in debt restructuring procedures for the treatment of public claims, as far as these are necessary for the effective implementation of the law.
- The Secretariat for Private Debt will have developed a comprehensive project plan for the extension of its IT-supported platform for the sharing of debtor-related information between banks, tax administration and social security entities. This project plan will have been agreed by all stakeholders involved in its implementation and will fill aim at full implementation and operationalization by December 2017 (end-July 2017).

DD. Implementation of Code of Civil Procedure and Insolvency regime (prior action)

123. Prior actions and key deliverables. As prior actions, adopt primary and secondary legislation to facilitate electronic auctions in line with the amended CCP and deliver the pilot electronic auctions platform; develop the institutional framework for insolvency administrators; publish the notice of the examination for the certification of insolvency administrator. As key deliverables, complete the testing and training with regard to the operationalization of the electronic auctions platform; enroll successful candidates of the Insolvency Administrators examination to the relevant registry (end-July 2017).

124. Definitions.

- *Secondary legislation for insolvency administrators.* This includes the Presidential Decree for the regulation of Insolvency administrators and the following regulatory actions: i) Internal Regulation of the Insolvency Administration Committee, ii) decision of the competent authority regarding the examinations, iii) joint decision of the Minister of Finance and the Minister of Justice on remuneration of the examiners and fees to be paid by candidates, iv) decision of the Minister of Justice, establishing a code of conduct for insolvency administrators, v) decision of the Minister of Justice for continuous training, vi) decision of the Minister of Justice for the initiation and conduct of disciplinary procedures.
- Initiation of the accreditation process: The authorities will publish the notice of the examination for the accreditation of insolvency administrators.
- *Enrolment of successful insolvency administrator applicants into the registry.* On completion of the examinations for the certification to be conducted in accordance with above secondary legislation, and upon fulfilment of all regulatory requirements, the Insolvency Administration Committee will enroll the successful candidates in the registry and the registered insolvency administrators will be able to assume the functions assigned to them by the insolvency code, as a key deliverable, by July 2017.

Electronic on-line auctions in civil procedure. A law introducing amendments to the CCP and a Ministerial Decision will provide for the regulation of electronic auctions of seized property. An electronic auction system is based on the principles of fairness, transparency and value maximization of the proceeds through enhanced competition by providing easy and economic access to all interested parties, while guaranteeing legal certainty and security. The system requires a web portal to provide publicity for the auctions, including information about the assets to be auctioned (description, legal certificates, valuation reports, photographs, etc.). The web portal is connected to a functional platform where auctions are performed. In order to participate in auctions, it is necessary for natural or legal persons to obtain a registration. The registration procedure is designed to allow easy and secure access. The assets to be auctioned are listed in the platform, which incorporates a search engine. Auctions are initiated after a specified period after the asset appears on the webpage. Once an auction starts, registered persons can submit bids during the period specified for the conduct of the auction. Any bid has to be submitted by safe electronic means, with appropriate certification. Every time a person submits a bid, the system sends a receipt notification, specifying the time the bid was received and the

amount. The system publishes, in real time, the highest current bid and its amount, without publishing the identity of the bidder or the number of bidders. A valid bid must be superior to the latest published bid. The bidding ends at the end of the specified period with a possibility of a final extension in the event of submission of last-minute bids. The system ensures compliance with the deposit and payment obligations of the bidders. The results of the auction are certified by the person responsible for its conduct. In the certificate, the system includes the whole list of received bids in chronological order, with identification of the bidders. Implementation of the electronic auction system requires the design and launch of the platform by specialized experts. The system is built in a safe architecture, ensuring certainty and safety of communications, full recording of time sequences, traceability of all actions and future expandability. The legal amendments will include transitional rules that will allow creditors to opt, immediately upon their publication in the Official Journal, for the electronic auction system, with proper advance notice, when the seizure of the asset occurred before the modification of the legal regime, and preserving the date of the original seizure for the purpose of determining the deadlines of the procedure. The transitional rules will also allow creditors to opt for the electronic auction system, with a notice period not exceeding 2 months, in cases where auctions were suspended or failed before the modification of the legal regime. A pilot platform should be delivered by the time of the adoption of the law and Ministerial Decision.

- Full operationalization: after completion of the test phase, the platform should be fully operational with the completion of the training of users and the production of an end-user manual, resulting in its availability for the conduct of auctions, as a key deliverable, by end-July 2017.

MONITORING OF PUBLIC ASSETS CONDITIONALITY

EE. Management, Investment and Privatization of Public Assets

125. Definition. Proceeds from the privatization of assets included in the Asset Development Plan of HRADF (Annexed in the MOU and approved by KYSOIP on 17 May 2017) will be treated as below the line. All proceeds are deposited to the special segregated account for the repayment of debt.

- HFSF will continue to make payments to the State in accordance with the HFSF law and the relevant legislation.
- Profits generated by the new Management, Investment and Privatisation Fund (HCAP) will be split as follows:
 - 50 percent will be paid as dividend to the Hellenic Republic to be used to repay debt in accordance with law 4336/2015;
 - 50 percent will be used for investment purposes.
- The overall fiscal and accounting treatment of the profits of the Management, Investment and Privatisation Fund (HCAP) will be clarified after its full operationalization and the adoption of relevant Internal Regulations.
- The list of State-owned enterprises to be transferred to the Management, Investment and Privatization Fund (HCAP) is provided in the Annex (Table 12).

MONITORING OF ACTIONS RELATED TO PRODUCT MARKETS

FF. Toolkit I competition Assessment

126. Sunday Trade (June 2017, key deliverable): The authorities will adopt primary and secondary legislation to allow trade on all Sundays, except one, during the months of May to October - the main tourist season –in the following areas of touristic interest: (i) municipality of Athens, (ii) selected areas of the sub-prefecture of Southern Athens, (iii) key commercial areas around the port of Piraeus, (iv)

the key areas of the historical center of Thessaloniki as defined in MD 3046/51009/1994 and (v) key commercial areas around the Athens International Airport. To address the CoS ruling's concerns, the legislation will be accompanied with detailed explanatory notes.

127. Over-the-Counter (OTC) pharmaceuticals reform (prior action): With the objective to increase competition and reduce average pharmaceutical prices, the authorities will adopt primary and secondary legislation to liberalize the prices of OTCs. These will include the definition of an indicative retail price and a maximum price for hospitals and clinics. OTC will be removed from the price bulletin. The indicative retail prices of OTCs will be published in a separate list.

GG. Toolkit III competition Assessment

128. Toolkit III recommendations: The remaining Toolkit III recommendations will be adopted by July 2017 (**key deliverable**) except for 11 recommendations:

- Replacing the prior approval of scientific events organized or funded by pharmaceutical companies with a notification and introducing in the legislation an ex-post mechanism to accompany the notification requirement (Pharmaceutical 14)
- Homogenizing the taxes for pay TV/radio (Media 59)
- Releasing the map for TV licenses (Media 37).
- The following recommendations will be adopted at a later date (key deliverables):
- Abolishing requirements for physical establishment, ground floor, and specific floor plan for trading of plant protection products (Chemicals 10, 12, 13), which will be implemented by September 2017;
- introduce an electronic registry for electrical equipment (Chemicals 80), which will be implemented by December 2017;
- review ownership and cross-ownership rules on electronic media so as to conclude whether they can be updated (Media 32) by December 2017;
- abolish minimum number of full time employees (Media 43) by December 2017;
- amending the legislation to limit the liability of tax warehouses (Wholesale 127), which will be implemented by November 2017; and
- amending legislation to require operational GPS systems on vessels and tanker trucks and inflow-outflow systems on vessels (Wholesale 29), which will be implemented by December 2018.

HH. Regulated professions

129. Public works engineers' registries: As prior action, the authorities will adopt primary legislation on public works engineers' registries as a first step to address the recommendations of the OECD Toolkit III and the external advisor. In particular:

- the Toolkit III recommendations on **Construction** no. 19, 35, 36, 37, 39, 40, 48-53 and
- the Pricewaterhouse Coopers (PwC) recommendations on public works engineers disconnecting the class registration as a requirement for participation in tenders, abolishing the legal form requirement to access registry classes, removing the geographical barriers on regional registries.

Actions on regulated professions

Profession/Activity	Restriction to be abolished	Timeline	Reasoning
Health providers	Amendment of article 10 of PD 84/2001 so as to be in accordance with article 6 of Ministerial Decision Y3β/Γ.Π./οικ.24948/2012.	prior action	Ease of doing business
	Remove the geographical constraints in the Medicine Code of Conduct.	Sep-17	Geographical constraint
	Revision and modernization of the legal framework of the private clinics.	Dec-17 Intermediate steps: a) Creation of Working Group with the participation of the private stakeholders by June 2017. b) Consultation with private stakeholders - Sept. 2017; and public consultation of the draft legal framework - Nov. 2017.	Ease of doing business
Dentists	Abolish minimum remuneration in Dentistry Code of Conduct (article 39).	Jun-17	Minimum fees
	Remove the geographical constraints in the Dentistry Codes of Conduct.	Jun-17	Geographical constraint
Physiotherapist	Remove the geographical constraints in the Physiotherapists' Codes of Conduct.	Jul-17	Geographical constraint
	Abolish minimum remuneration in Physiotherapists' Code of Conduct.	Jul-17	Minimum fees
Car rental with driver	Reduce to three hours the minimum duration of the service for car rental with a driver.	Sep-17	Other restriction
Roadside Assistance	Adopt legislation to address any unjustified and/or disproportionate requirements in line with the forthcoming opinion of HCC.	Dec-17	
School of drama, schools of dance and school of music (5 professions)	Adopt legislation to address any unjustified and/or disproportionate requirements in line with the forthcoming opinion of HCC.	Dec-17	
Hairdressers/manicurists	Amend Law 4386/2016, art. 42, par 9, (reduce duration of required experience).	Sep-17	Other restriction
Sales of fertilizers, propagation and plant-protecting material	Amend Law 4384/2016, art 47 (responsible scientist and equally trained personnel, small and very small enterprises).	prior action	Other restriction
Stevedores	Issuance of the JMD on certification/training.	Sep-17	Follow-up
Schools of Hauliers Vocational Training	Remove restrictions regarding the establishment and operation of the Schools.	Jun-17	Geographical constraint

MONITORING OF THE ENERGY SECTOR

II. RES account balance

130. Deliverable. Implement the revised legislation on the RES account by applying the adjustment mechanism for December 2016 with adjustments applying as of 1 January 2017, as specified in the legislation approved in October 2016.

131. Definition. The decisions which adjust the unit charges of the ETMEAR shall be taken with the aim of eliminating the accounting debt (total of the cumulative accounting debt of previous years and the accounting deficit of the current year) of the special account for the RES and HECHP interconnected system and grid by the end of the calendar year in which those decisions are applied.

In particular for the year 2017, the abovementioned adjustment of the unit charges of the ETMEAR shall be implemented by the RAE by decisions adopted in December 2016 and in the months of March, June and September of 2017 (hereinafter adjustment months), and the resulting prices for those charges shall apply from the first day of the month following the adjustment month.

In the adjustment months referred to in the previous sentence, if the difference in the current accounting debt of the special account for the RES and HECHP interconnected system and grid, on the basis of the latest available actual data, is greater than 15 million euro compared with the corresponding evaluation of the accounting debt at the same time point as evaluated in the previous adjustment month in accordance with the above, the RAE shall calculate the amount of the ETMEAR in such a way that the above difference is covered in the following months up to December 2017 and the cumulative accounting debt of the special account for the RES and HECHP interconnected system and grid is eliminated by the end of December 2017.

Table 13. RES Account Balance Forecast (LAGIE, October 2016).

	Inflows	Outflows	Monthly Deficit	Cumulative Deficit (Debt)
Sep 16	130,30	-165,77	-35,47	-284,08
Oct 16	140,29	-154,50	-14,21	-298,30
Nov 16	139,65	-129,02	10,63	-287,67
Dec 16	154,43	-121,47	32,96	-254,71
Jan 17	181,76	-128,80	52,96	-201,75
Feb 17	170,31	-119,45	50,86	-150,89
Mar 17	178,96	-151,12	27,85	-123,04
Apr 17	163,56	-166,85	-3,29	-126,33
May 17	160,55	-171,34	-10,79	-137,12
Jun 17	180,06	-167,98	12,08	-125,03
Jul 17	210,54	-188,09	22,45	-102,58
Aug 17	200,89	-191,41	9,48	-93,10
Sep 17	170,42	-167,87	2,55	-90,55
Oct 17	163,95	-157,86	6,09	-84,45
Nov 17	163,53	-132,76	30,78	-53,68
Dec 17	182,01	-125,83	56,18	2,50

132. Supporting Material. All data produced by LAGIE regarding the RES account balance, as provided to RAE for its quarterly decision on the ETMEAR adjustment.

JJ. Provision of information and data regarding NOME auctions

133. Deliverable. LAGIE shall provide full and timely information on auction results, nominations, deliveries and re-sales on the secondary market, as well as market shares per player.

134. Supporting Material. LAGIE will provide to the institutions a report, with an executive summary in English, including (i) detailed information on nomination, deliveries, and re-sales, 10 days after the end of the month; and (ii) detailed information on auction results, two days after the NOME auction.

KK. Provision of information and data regarding gas auctions

135. Supporting material. The Ministry of Environment and Energy will receive from HCC, in cooperation with RAE, and will provide to the Institutions, detailed information on the results of all the auctions performed under the gas release programme, one week after each auction.

MONITORING OF PUBLIC ADMINISTRATION CONDITIONALITY

LL. Mobility.

136. Deliverable. The first implementation of the mobility scheme will be performed in September 2017. In order to implement the scheme, draft organograms of all Ministries which need reorganisation will be submitted to the Council of State (prior action), and job descriptions will be completed by August 2017, with the collaboration of technical assistance (key deliverable). The following 15 Ministries need reorganization and will therefore submit a draft organogram to the Council of State:

1. Ministry of Interior
2. Ministry of Economy and Development
3. Ministry of Digital Policy, Telecommunications & Media
4. Ministry of Education, Research and Religion
5. Ministry of Labour, Social Insurance and Social Solidarity
6. Ministry of Justice, Transparency & Human Rights⁸.
7. Ministry of Ministry of Finance
8. Ministry of Administrative Reconstruction
9. Ministry of Culture and Sports
10. Ministry of Environment and Energy
11. Ministry of Infrastructure and Transport
12. Ministry of Migration Policy
13. Ministry of Mercantile Marine and Island Policy
14. Ministry of Rural Development and Food
15. Ministry of Tourism

MM. Ceiling on temporary contracts

137. Deliverable. A ceiling on temporary contracts will be introduced to ensure that the average number of contracts burdening the budget, as reported in the Census database, remains unchanged in 2017 and 2018 compared with 2016, preserving the projected general government wage bill. Additional temporary contracts to cover needs coming from the refugee crisis, natural disasters and humanitarian crisis will be exempt from the ceiling.

Table 24. Ceiling on temporary contracts.

Number of temporary contracts	2016
January	49,478
February	50,538
March	51,053
April	52,875
May	52,609
June	44,115
July	42,485
August	41,611
September	42,505
October	46,301
November	47,984
December	49,448
Average 2016 - Ceiling on temporary contracts for 2017 and 2018	47,584
<i>Source: Apografi database</i>	

138. Supporting material. On a monthly basis, the authorities will provide tables containing: (i) number of temporary contracts burdening the budget, by entity, consistent with Section B of the monthly reporting tables in the Apografi database, line “Fixed term with limited duration, hourly paid, project contracts which burden the state budget.”; (ii) number of temporary contracts burdening the budget to cover needs coming from the refugee crisis, natural disasters and humanitarian crisis, by entity.

MONITORING OF ANTI-CORRUPTION CONDITIONALITY

NN. Fighting corruption

139. Key Deliverable. Amend legislation to fulfill all GRECO's recommendations on funding of political parties and electoral campaigns (SMoU section 5.3).

140. Definition. The authorities will deliver the GRECO report on funding of political parties and electoral campaigns immediately after reception from GRECO. Within one week from reception of the GRECO report, the authorities will propose modifications in the legislation to address all GRECO's recommendations. The amendments will be voted within one month from reception of the GRECO report by the authorities.

141. Supporting material: Delivery to the institutions of the GRECO report; delivery of the proposed amendments; voted legislation.

Table 9. Key Performance Indicators on Tax Administration

Indicator	2017 Target				2018 targets	
	End-Mar.	End-Jun.	End-Sep.	End-Dec.	End-Mar.	End-Jun.
Debt collection						
Collection of tax debts as of the end of the previous year 1/	0.890	1.620	2.210	2.700	0.940	1.710
Collection of new debts in the current year (percent of new debt in the year) 1/	13%	16%	19%	24%	15%	18%
Collection of debts by Large Debtor Unit 1/	165	341	495	690	170	350
Audits of fresh tax cases by the whole GSPR						
Percent of tax audit cases in total completed audits 2/	60%	60%	60%	60%	70%	70%
Tax audits and collection of large tax payers						
Collection after audits in the year (percent of assessed tax and penalties) 1/	42%	41%	41%	41%	48%	48%
Audits and collection of high wealth individuals						
Collection after audits in the year (percent of assessed tax and penalties) 1/	24%	24%	24%	24%	16%	23%
Taxpayer service						
Percent of VAT tax refund claims paid or rejected within 90 days 3/	60%	65%	58%	70%	64%	69%
Compliance and enforcement						
Percentage of total tax paid on time for VAT, Income and Property taxes 4/	81%	83%	82%	83%	82%	84%
Percentage of debtors under enforcement measures 5/	47%	51%	54%	57%	53%	54%
Pre litigation phase						
Percentage of cases closed by explicit decision of the Dispute resolution Unit 6/	58%	77%	93%	95%	75%	80%
Customs inspections						
Control by mobile units	3 100	7 500	11 000	15 400	4 000	9 050

Source: Greek Authorities; EC, ECB and IMF staff

Table 10. Key Performance Indicators on Public Financial Management 1/

Indicator	2016 actual			2017 target			2018 target	
	End-Sep.	End-Dec.	End-Mar.	End-Jun.	End-Sep.	End-Dec.	End-Mar.	End-Jun.
1. Ceiling on average period for expenditure payments or rejection after receipt of invoices by state government, including ministry of finance and line ministries. 2/								
Ceiling on number of days	57	53	47	40	29	29	29	29
2. Ceiling on unprocessed main pension applications in thousands.								
Ceiling on pension applications	-	145	149	120	95	70	50	30
3. Floor on percentage of all social security funds-to-EOPYY actual transfer of the amount that should be transferred. 3/								
Floor on percentage	79%	-	90%	90%	92%	94%	96%	98%
4. Floor on percentage of number of claims submitted by public hospitals to EOPYY for insured patients electronically. 4/								
Floor on percentage	-	67%	73%	80%	90%	99%	99%	99%

Sources: Greek authorities; and EC/ECB/ESM staff.

1/ Cumulative targets from the beginning of the year unless otherwise specified.

2/ Applies to all invoices received since January 1, 2017. The average period is calculated on all the invoices paid or rejected during the quarter, and invoices still pending beyond the target. The period for each invoice is measured from when the invoice is received to the final payment, or to rejection upon verification, or to the test date if the invoice is pending beyond the target for the average for that test date (e.g. 29 days on Sept 30, 2017).

3/ The ratio in percentage is calculated as follows. The numerator is the amount of cash transfer to EOPYY and the expenditure paid by all social security funds on behalf of EOPYY during the period. The denominator is the revenue collected by all social security funds on behalf of EOPYY during the period.

4/ The ratio in percentage is calculated as the number of claims (invoices and associated documents) using KEN-DRGs and/or hospital fees submitted to EOPYY electronically for insured patients divided by number of treatment cases provided by hospitals to insured patients.

Table 11. Key Performance Indicators on Social Security Contribution 1/

Indicator	2017 targets				End-Mar	End-Jun
	End-Mar.	End-Jun.	End-Sep.	End Dec		
Social Security Fund Payment Compliance Percent of total invoiced or declared current-year SSC amount paid to the fund 2/ EFKA	85%	86%	88%	89%	90%	91%
KEAO Collection Performance and Enforcement Collection of SSC debts transferred to KEAO 3/	252	504	755	1 007	280	560

1/ Cumulative targets from the beginning of each year.

2/ For each reporting period, social security fund payment compliance is calculated as the amount of current year SSC paid to the fund divided by the amount invoiced or declared, expressed as a percentage.

3/ In millions of euros.

Table 12. Second group of State Owned Enterprises to be transferred to the HCAP

a/a	Company	Sector
1	Athens International Airport (25% stake)	Transport
2	Remaining airports ^{1/}	Transport
3	GAIAOSE ^{2/}	Transport
4	Greek Salt Company	Other
5	Hellenic Defence Systems (EAS) ^{3/}	Defence
6	ETBA VIPE	Other
7	Corinth Canal	Transport
8	Central Markets: OKAA, KATH	Other
9	HELEXPO ^{4/}	Other
10	Transfer of the commercial assets and/or concessions belonging to the Hellenic Republic held by LARCO ^{5/}	Manufacturing
11	Minority holdings: OTE (1%) ^{6/} , KAE (Folli Follie Group), Hellenic Duty Free	Other

1/ A potential transfer also of the management and operation rights of the remaining regional airports shall be reviewed by September 2017.

2/ The transfer refers to the management rights for the rolling stock and real estate assets managed by GAIAOSE and not the legal entity. The transfer will not affect the financing for the upgrade of the rolling stock directly held by the HR as required by law 3891/2010. A potential transfer also of the ownership rights of the assets (rolling stock and real estate) managed by GAIAOSE and directly held by the HR shall be reviewed by September 2017.

3/ The Authorities and the institutions will review the operations of EAS by July 2017 to assess to what extent they give rise to compelling reasons for a national security exemption from transfer to HCAP.

4/ HELEXPO will preserve its existing role in Thessaloniki with the organisation of the annual fair.

5/ The shares of LARCO should not be transferred. The meaningful assets associated with LARCO are the smelter and certain mines. After the existing relevant legal issues are clarified, these commercial assets or the concessions should be transferred.

6/ The transfer of the OTE stake will be subject to not putting into question the rights of the HR under the existing shareholders' agreement.