International Secured Transactions

This publication is based on the draft UNCITRAL Legislative Guide on Secured Transactions

Dennis Campbell—Editor
Antonida Netzer—Administrative Editor

Volume 1

THOMSON REUTERS™

For Customer Assistance Call 1-800-328-4880

Mat #41618357

www.legalsolutions.com

Chapter 16

Greece

*Yiannis G. Sakkas, Athanasios D. Paizis and Yiannis G. Bazinas**

**Bazinas Law Number Firm, Athens, Greece*

VII. PRIORITYOF SECURITY INTERESTS

VIII. PRE-DEFAULT RIGHTS AND OBLIGATIONS OF PARTIES

IX. DEFAULT AND ENFORCEMENT

X. OPTIONS AFTER DEFAULT

XI. INSOLVENCY

XII. CONFLICT OF LAWS AND TERRITORIAL APPLICATION

I. IN GENERAL

§ 16:1 Introduction

This chapter examines secured transactions under Greek law to determine conformity of domestic provisions and practices with the United Nations International Trade Law Number Commission (UNCITRAL) Legislative Guide on Secured Transactions.[1]

§ 16:2 Importance of security rights

Credit is an engine of economic growth. High availability has substantive positive implications for entrepreneurship, innovation and poverty reduction. From the primitive Roman law requirement of slave labor for the benefit of the secured party, floating charges, and modern day securitization, security rights have traditionally been the catalyst for channeling funds to business activities. A key factor in the role of secured transactions is that they reduce the cost of borrowing by lowering commercial risk and expected insolvency losses. The interest charges reflect the decreased risk of non-performance, allowing to construct a credit transaction affordable to the debtor and profitable to the creditor.

The effectiveness of this insurance feature of secured credit relies greatly on the legal and institutional framework supporting secured transactions. Issues such as the prevalence of non-possessory security interests, the ease of creating and enforcing security interests, the types of eligible collateral and the publicity system are fundamental in ensuring that cost-effective financing is available for borrowers, particularly when competing in an increasingly global marketplace.

The regime governing secured transactions also holds implications for the credit supply side, by affecting the structure of financial firms and risk concentration in the financial system, through capital adequacy requirements and banking regulations. In the greater scheme of things, appropriate legal structures in the field of security rights reduce the cost, increase the amount of available credit in the economy and support the resilience of the financial system by enabling the dispersion of credit risk.

[Section 16:1]

[1]United Nations Publication, E.09.V.12, New York, 2010.