

LEGAL ISSUE	SHORT ANSWER
1. CONTRACT FORMATION	
Do contracts have to be written and signed?	The Greek Civil Code (“GCC”) in article 158 establishes the principle of informality of juridical acts (“Compliance with form in the drawing up of an act shall only be required when the law so provides”). So the parties may opt for any form of their choice. A specified form is provided only for special types of contracts, such as real estate.
Can a contract be more than a single signed document?	Yes; annexes, schedules, certifications and further documentation referred to the contract may be incorporated and signed.
Can you exclude/include prior conversations docs from forming part of the contract?	Oral statements or other documents that take place before the conclusion of the contract, during the negotiations, may be included in the contract. However, it is a common practice for oral conversations to be excluded from the contract. Usually, the contractual parties incorporate an 'entire agreement' clause in the contract which means that only the text of the contract is binding on them and prior conversations are not enforceable.
Can pre-contractual documentation form part of the contract?	In general yes, the parties can freely form the contract and include whatever they consider useful. But as it has already been mentioned, pre-contractual documents are usually excluded from the contract. In any case, it is advisable that the parties should include a provision in the contract governing this matter.
Do contracts have to be drafted in the local language?	In principle, there is no legal requirement to conclude a contract in Greek language in order to be valid, provided that the parties fully understand the terms of the contract. Nevertheless, the Greek Courts do require that any document executed in a foreign language must be submitted to them in an official translation, in order to be accepted and evaluated in the context of a trial.
Who can represent or has authority to represent the parties to the contract?	Any person who is legally capable of carrying out any transaction and he/she is over eighteen years old (Art. 127 GCC). Persons with limited legal capacity shall be empowered to conclude contracts solely in cases set forth in the law or under the conditions provided for in the law. (Art. 129, 133 GCC). The power to represent shall be conferred by a deed drawn up for this purpose

	(power of attorney). The power of attorney shall be given by means of a declaration addressed to the attorney or a third party with whom the deed is concluded. Unless a contrary deduction can be made the declaration is subject to the form required for the completion of the deed to which the power of attorney refers (Art. 216-217 GCC). Legal entities have the capacity to conclude any contract, provided that the relevant contract was executed by its legal representative and that the latter was acting within the scope of his/hers powers (Art. 70 GCC).
Do contracts need to be registered to be valid?	In principle, most contracts are not to be registered except for cases explicitly provided in the Greek law. For instance, real estate contracts are subject to transcription and must be registered with the Cadastral/Registry Office. Moreover, several contract categories (assignment of claims, loans, leases etc) are subject to stamp duty and/or other tax formalities, according to which a contract document must be submitted after and/or prior to signing to the competent tax authorities.
Are there key components that need to be known for a contract to be formed and valid?	In order to be valid, a contract requires: mutual agreement (offer and acceptance) with an intention to be legally binding. Consideration is generally not required according to Greek Law.
Further Commentary	
<p>Pursuant to GCC a contract can be formed by means of offer and acceptance. A person offering the conclusion of a contract is bound thereby during the whole period in the course of which the addressee of the offer can proceed with its acceptance. The contract is concluded as of the time that the declaration of acceptance of the offer has reached the offeror (Art. 185, 192 GCC). In practice, most contracts are concluded only by means of mutual and simultaneous approval. Failure to agree on any of the above equals to lack of agreement, therefore to lack of a binding contract. The contractual parties have discretion as to the form of the contract, apart from cases the law provides specific form. The failure to comply with the formality of choice shall entail, in case of doubt, the nullity of the contract. However, the performance of the contract with the knowledge of the defect as to its form may in some cases remedy such defect (Art. 159 par. 2 GCC). Furthermore, certain types of contracts are subject to a legal constitutive form by means of either a document drafted before a notary public (e.g. contracts regarding real estate) or of a private document signed by the parties (e.g. guarantees, transfer of shares etc). Failure to comply with a legal constitutive formality shall entail the nullity of the contract (Art. 159 par. 1 GCC).</p>	
2. VARYING CONTRACTS	
Can contracts be varied after formation?	In principle, the parties have the right to amend the contract after formation with a reciprocal

	agreement pursuant to the “freedom to contract” principle (Art. 361 GCC).
Can a party unilaterally force a contract to be varied (e.g. on the basis of unforeseen circumstances, improvisation)?	In general no, unless there is such a contract term, an unforeseen change of circumstances or a force majeure condition. Otherwise the unilateral variation of the contract constitutes abuse of right because it obviously exceeds the limits imposed by the principle of good faith or morality (Art. 281 GCC).
Does a variation need to take a particular format?	The parties can vary the terms of a contract with a common agreement which in order to be valid does not require a specific format according to the “freedom to contract” (Art. 361 GCC). Exception made in cases where the original contract explicitly provides for a specific form of variation in order for the latter to be valid.
Can variation of a contract have wider implications?	In principle, the variation of a contract produces legal implications only for the contracting parties and that particular contract. However, it is sometimes common for associated contracts or third parties deriving rights from the contract to be affected as well (e.g. guarantee).
Further Commentary	
<p>The variation of a contract requires a reciprocal agreement between the parties whereas the form of the amendment usually follows the form of the initial contract. However, the parties can include in the contract, mostly in commercial ones which are concluded with a private document, a clause that the amending terms can also be made orally (“freedom to contract” art. 361 GCC). But it is a common practice for every variation of a contract to be concluded in written form, which enables the evidencing of the amendment and serves the principles of good faith and ethics (Art. 281 GCC). Undoubtedly, the form which is prescribed by the law for the completion of a contract shall also be observed for the amendment thereof (Art. 164 GCC).</p> <p>In principle, some of the most fundamental rules which apply in all contractual relationships are: (i) autonomy of private will, which, in fact, signifies the very foundation of Private Law, (ii) good faith which requires a fair and honest dealing in all legal transactions, (iii) protecting the weaker party in a transaction (whether such party acts as a debtor and/or as a creditor), (iv) liability, mainly the fact that everyone is liable for the consequences of its acts (and omissions) and at times for the acts of others.</p> <p>As a result, a party can unilaterally amend a contract provided that there is a relevant contract term to this effect. It is important though, for this term or amendment not to cause a significant imbalance to the parties’ rights and obligations arising under the contract to the detriment of the one party. The unfairness is assessed, by taking into account the nature of the goods or services for which the contract was concluded and the scope of the contract and by referring, at the time of the conclusion of the contract, to all the circumstances attending the conclusion of the contract and to all other terms of the contract or of another contract on which it is dependent. All contracts and terms thereof must be interpreted according to the requirements of good faith taking into consideration business usages. If one party unilaterally</p>	

amends the terms of a contract and burdens by this way the other party, it exceeds the limits imposed by good faith or ethics. In that case, the other party shall have the right to terminate the contract. Besides, apart from Civil Code, there are also specific Greek Laws that have strict provisions regarding the fair and unfair terms of a contract and its amendments (e.g. L.2251/1994, regarding several aspects of consumer contracts or the Labour Law pertaining to contracts between employer and employee).

However, under Greek law, in the event of “force majeure”, a contract may be amended after a unilateral declaration according to the new parameters/situation on the basis of an agreement/addendum between the parties. In such a case, it is a matter of interpretation by the Courts, to define the “force majeure” events, the extent to which the non-performing party is discharged, the purpose and the nature of the contract in combination with the economic interests of the contracting parties (in order to protect the economically weaker party).

Even if a “force majeure” clause is not included “expressis verbis” in a contract, the respective GCC provisions (“jus cogens”) will be applicable. More specifically, article 330 of the GCC establishes liability only in case of breach of contractual obligations due to “malice” or “willful misconduct” and “negligence”. A general definition of negligence is given as: “A person who does not exercise ordinary care, as normally required in conducting business”.

In view of the above, the non-performing party cannot be held liable for a breach of contract due to force majeure and it has the right to require variation of the contract if it proves that it was prevented or delayed or its performance was affected in any way due to events that were beyond its control, although it has made its best effort to fulfill its contractual obligations (it has namely done genuine efforts and taken any required measures of extreme care in order to overcome the adversities which constitute the “force majeure” event).

It is notable to mention, that any agreement excluding or limiting beforehand responsibility resulting from fraud or gross negligence is null (Art. 332 GCC).

Furthermore, pursuant article 388 of the GCC: “If having regard to the requirements of good faith and business usages the circumstances on which the parties had based the conclusion of a bilateral agreement have subsequently changed on exceptional grounds that could not have been foreseen and the performance due by the debtor taking also into consideration the counter-performance has as a result of the change become excessively onerous the Court may at the request of the debtor and according to its appreciation reduce the debtor’s performance to the appropriate extent or decide the dissolution of the contract in whole or with regard to its non performed part. If the dissolution of the contract has been decided the obligations to perform arising therefrom shall be extinguished and the contracting parties shall be reciprocally obligated to restitute the performances by which each benefited pursuant to the provisions governing enrichment without just cause.”

As can be derived from the above, the Greek law also recognises the general concept of unexpected changes in circumstances. In particular, if the contracting parties proceed to an agreement based on certain circumstances that changed to a great extent following unforeseeable and unpredictable events, rendering the fulfilment by a party of its obligations overly and unduly burdensome, that party may unilaterally request the court to adjust the obligations accordingly or to terminate the contract in whole or in part.

3. VALIDITY OF CONTRACTS

Can a contract or specific clauses ever be held invalid?

A contract or a specific clause can be held invalid in the case that they are contrary to morality or to

	mandatory and prohibitive legal provisions (Art. 174, 179 GCC)
If a part of a contract is invalid will the rest of the contract be void?	The nullity of a part entails the nullity of the contract as a whole if it can be deduced that the contract would not have been concluded without the void part (Article 181 GCC). Otherwise, there is a partial nullity and the rest of the contract remains valid.
Are there laws that deal with unfair contract terms?	In general, the GCC contains a variety of provisions that deal with unfair contract terms in combination with other specialised laws (for example article 2 Law 2251/94 regarding consumer contracts and unfair terms or the Unfair Competition Law 146/1914)
Further Commentary	
<p>Specific provisions of the applicable law may stipulate the conditions in which a transaction is null and void. Thus, a transaction may be considered null, if inter alia: (a) it suffers from a lack of legal capacity to enter into a contact (128 GCC), (b) it lacks the specific form, where required (159 GCC), (c) is inconsistent with a prohibitive provision of the applicable law (174 GCC) , (e) when the law explicitly provides for nullity as a result of its violation (159, 208, 275, GCC) (f) is contrary to morality (178-179 GCC) (g) when it is a fictitious contract (138 GCC). In addition, according to article 332 of GCC, any agreement, that limits or excludes in advance liability arising from willful misconduct or gross negligence is null and void. In contrast, limitation of liability arising from slight negligence is in principle allowed. However, article 332 expressly provides that any agreement which excludes liability arising even from slight negligence is also null and void in certain cases: (a) if the creditor is employed by the debtor and (b) if liability arises from conducting business for which prior concession by the competent authority has been granted. It is noted that said provision constitutes “jus cogens”.</p> <p>In principle, the nullity can be initial or supervening, absolute or relative (Art. 131, 176, 479, 616, 764 GCC), total or partial. The null contract or the null term of the contract is deemed not to have been made (Art. 180 GCC). The absolute nullity has official implications with some exceptions.</p> <p>Furthermore, an act/contract is voidable when it is concluded in conditions of misrepresentation (Art.140-143 GCC), deception (Art. 147-149 GCC) or duress (150 and 151 GCC). The annulment of an act by reason of misrepresentation, deceit or threat shall be pronounced by a Court decision.</p> <p>In the case that a part of the contract is null there is a partial nullity. In order for partial nullity to exist the contract must be liable to fragmentation, allowing its division into several parts, which themselves are able to be regulated independently. However, this partial nullity is overruled if the side asking for nullity can prove that the parties involved gave such great importance to the void part of the transaction, that if they had been aware of the nullity, the contract would not have been entered into in the first place. What is under examination therefore is the real intention of the parties involved at the time when the contract was first formed, in light of factual circumstances.</p> <p>Contractual terms must be governed by good faith and any term that is against moral ethics, business usages or that unduly restricts the liberty of a party or by which one party exploits the weakness or inexperience of the other in order to acquire benefits that are obviously disproportionate to the party’s own performance are null and void (articles 178 and 179, 288</p>	

GCC). Furthermore, pursuant article 281 GCC “the exercise of a right shall be prohibited if such exercise obviously exceeds the limits imposed by good faith or morality or by the social or economic purpose of the right”.

4. TRANSFERRING RIGHTS AND SUB-CONTRACTING

Can the benefits of a contract be transferred to another party?	Yes, unless expressly agreed otherwise the benefits can be transferred to a third party through assignment.
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Is it possible to transfer all rights and obligations in a contract to a third party?	All rights and obligations of a contractual relationship can be transferred to a third party through an assignment, provided all (existing and future) parties are in agreement to such an assignment.
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Can a contract provide for a future transfer of all rights and obligations?	Yes, provided that all (existing and future) parties are in agreement to such a transfer (at the time of formation of the initial contract or at the time of the transfer).
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Can third parties join a contract following its execution?	It is possible provided the contracting parties are in agreement and the party joining the agreement at a later stage clearly evidences its intent to be bound by the contract’s terms (e.g. through a deed of accession).
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Is it possible to assign a debt/credit to a third party?	Two contracting parties have the ability to assign a contractual benefit to a third party. On the contrary, the burden of a contract (i.e. the obligation to perform) may not be validly assigned.
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Does subcontracting require the prior consent of the other party?	No, unless the prior consent of the other party is explicitly foreseen in the contract.
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Will a contractor be liable for a sub-contractor?	Yes, in principle the contractor remains liable for the acts/omissions of its sub-contractor.
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Further Commentary

The GCC provides for the general principles of “freedom to contract” and the “privity of contract”. According to these principles the contracting parties may freely agree to amend the initial contract, as described above.

Furthermore, while a contract can confer rights to a third party without the latter’s consent, in order for a third party to assume the burden of a contract, it must be made a party to that contract (via entering into a new contract with the same terms or via a deed of accession etc).

5. THIRD PARTY RIGHTS	
Can individuals who are not party to the contract have any rights to enforce the contract?	In principal, third parties cannot enforce the contract but exceptions to that rule may apply.
Can a contract imply rights for its affiliates and/or subsidiaries?	No, if not expressly referred in the contract, a third party, which is not part of the contract, even if subsidiary or affiliated entity, does not bear rights or obligations.
Detailed Commentary	
<p>Taking into consideration the principle of “privity of contracts” rights and obligations are exclusively conferred to the contracting parties. Examples of exceptions to that rule, according to which third parties may acquire the right to enforce a contract, are found in practice, in certain cases of contractual stipulations for the benefit of third parties, of lease and sublease of immovable property, of construction contracts (between the contractee and the contractor’s employees) etc.</p>	
6. e-CONTRACTS	
Can contracts be made electronically?	Yes. The legal requirements applicable to the contractual process neither create obstacles for the use of electronic contracts nor result in such contracts being deprived of legal effectiveness and validity on account of their having been made by electronic means. Consequently, most contracts can be formed electronically provided the usual rules of contract formation are adhered to.
Is an electronic signature valid (in the same way as handwritten execution)?	Yes, provided that it is an "advanced electronic signature" which meets the following requirements: (a) it is uniquely linked to the signatory, (b) it is capable of identifying the signatory, (c) it is created using means that the signatory can maintain under his sole control and (d) it is linked to the data to which it relates in such a manner that any subsequent change of the data is detectable.
Are electronic contracts subject to regulation?	Yes they are subject to Presidential Decree No 131/2003 (transposing the EU Directive 2000/31) which is the basic legislative text for the

	regulation of electronic contracts. Furthermore, many national rules (such as the Civil Code, Consumer Law etc) include provisions regarding formation and performance of all kind of contracts.
Detailed Commentary	
<p>An electronic signature is not actually required for the purposes of forming a contract; it is simply used as an evidential matter, and particularly to confirm the identity and authorisation of the signatory. However, should the parties have agreed that the written form is necessary for the validity of the contract the existence of an “electronic signature” is sufficient (article 8 par. 1 of Presidential Decree No 131/2003, article 160 GCC and Article 443 of the Greek Code of Civil Procedure). The electronic signature should be “advanced” in the sense that it should be certified by a recognised authority according to the procedures set out in the Presidential Decree No. 150/2001.</p> <p>In addition, the Presidential Decree No 131/2003 allows the conclusion of electronic contracts. It should be noted, that article 8 of the above Presidential Decree introduces some exceptions regarding the contracts that are not allowed to be concluded electronically: (a) contracts that create or transfer rights in real estate, except for rental rights, (b) contracts requiring by law the involvement of courts, public authorities or professions exercising public authority, (c) contracts governed by family law or by the law of succession.</p>	
7. DISTANCE CONTRACTS	
Are contracts formed at a distance regulated?	Distance contracts are not in general regulated. Nonetheless Law 2251/1994 for the Protection of Consumers regulates provides for regulations for certain type of distance contracts such as “Distance selling of goods and services and Trade of financial services from distance”
Detailed Commentary	
<p>Since the conclusion of a transaction, if not otherwise required by law, does not have to comply with a specific form, contracts formed at a distance are prima facie permitted. The above mentioned Law for the Protection of Consumers provides for certain obligations that the seller/supplier must conform to in distance contracts (e.g. the specific characteristics of the goods or services, the consumers right to cancel the contract etc).</p>	
8. CONTRACT TERMS	
Are there specific laws concerning the incorporation of a business' standard terms and conditions?	Yes, specific restrictions are provided by Law 2251/1994 regarding the “Standard Terms of Transactions and Abusive General Terms.
Do laws prohibit the use of exclusion clauses, onerous terms and/or regulate the relationship between the parties?	The GCC, despite the general principle of “freedom to contract”, sets explicit guidelines that regulate in general the relationship between the

	parties. Other laws, where applicable, also regulate the pertinent relationship of the parties, depending on the nature of the transaction at hand.
Is there a Civil Code applicable in the jurisdiction that would imply contract terms into a contract?	GCC, as mentioned above, sets general provisions that apply for every contract (implied terms).
Can a contract have implied terms?	Contracts commonly have implied terms for every matter not specifically provided for by the contract, as per the provisions of the GCC or other special Laws.
Are there implied terms governing the supply of goods and services?	Yes, implied terms for the supply of goods and services are provided in the GCC and other Laws in e.g. Law 2251/1994.
Can the contract expressly exclude all implied terms?	No, although some implied terms can be excluded, they cannot be in general excluded from a contract.
Can a seller rely on an implied term for charging interest on late payments?	Yes, even if the parties have not included a provision for charging interest in the contract, GCC provides for a statutory interest rate, which is applicable in cases of default.
Do data protection laws imply terms into a contract?	Law 2472/1997 on "Protection of Individuals with regard to the Processing of Personal Data" provides for the way personal data can be processed in general and applies in contracts as well.
Can local laws imply obligations on an contracting party in respect of the other parties' employees?	Yes, i.e. Art. 702 GCC provides that workers employed by a contractor have a direct claim against the contractee in respect of their salaries.
In the absence of a confidentiality clause does a law of confidence apply?	Yes, in certain type of contracts the law provides for a duty of confidentiality.
Detailed Commentary	
<p>According to Art. 281 GCC every right is prohibited from being exercised in a way that obviously exceeds the limits imposed by good faith or morality or by the social or economic purpose of the right. In addition, specific provisions regarding business' standard terms and conditions are provided by the above mentioned Law 2251/1994.</p> <p>Examples of direct regulation of the contractual relationship can be found in Art. 330 GCC et seq., which prohibits agreements excluding or limiting the responsibility resulting from fraud or gross negligence, Art. 288 which provides for the debtors obligation to perform the undertaking in accordance to the requirements of good faith, taking fair trade practice into consideration, or Art. 178 – 179 which prohibit contracts which are contrary to morality. Further regulations are set by special/specific laws (e.g. Law 2251/1994 regarding</p>	

“Producer’s liability for defective products”).

Implied terms, i.e. provisions of the GCC or other special laws may include “ius cogens” (mandatory/hard law) or “ius dispositivum” (soft law). According to the parties’ original intentions, soft law can be excluded in the context of the “freedom of contract” whereas hard law cannot.

In addition to GCC Art. 288, which can be interpreted as imposing confidentiality within a contract to a certain extent, in accordance to good faith and fair trade practice (e.g. confidentiality in employment contracts), Codes of Conduct for certain professions, prohibit professionals from revealing information that came to their knowledge through the exercise of their profession (Lawyers, Doctors etc). Furthermore Article 371 para. 1 of the Greek Penal Code provides for penalties in case of certain professionals reveal such sensitive information.

9. TERM AND TERMINATION

If the contract duration is not specified, is there an implied termination period and/or are there mandatory notice periods?

Unlike the right to rescind, there is no general provision in Greek law relating to the termination of contracts, but the termination of a particular contract depends either on the parties’ particular agreement (based on the freedom to contract) or on any special provision regulating this particular type of the contract.

Hence, there is not in general any implied expiry period in case contract duration has not been specified. Each party may terminate the contract prior to a ‘reasonable’ notice.

However for specific kinds of agreements (such as agency and exclusive distribution agreements or employment agreements) explicit mandatory notice periods are provided (see below Questions 17 and 18).

If the contract duration is specified or fixed, in what circumstances can it be terminated earlier in the absence of breach?

Termination of a contract can be ordinary and extraordinary. Ordinary is the termination that is made pursuant to a notification period given and does not usually require a special reason (ground). Extraordinary is the termination made without the need to give a notification to the other party (it is effective immediately) and is usually only allowed for a good reason. The conditions and form of termination (e.g. in writing) are either to be found in the law or in the contract itself.

Can a contract be terminated for breach?

Yes. In cases of violation of fundamental contract terms by a party, the other may terminate the contract, usually without a prior notice.

Do specific provisions apply to a termination for breach of contract?

Depending on the type of the contract, specific provisions may apply to the termination of a contract for breach. For example regarding agency agreements a breach of contract may

	lead to the loss of agent's right to claim damages.
Do specific provisions apply to termination for convenience?	Depending on the type of the contract, termination for convenience may presuppose a specific prior notice, such as in agency agreements.
What are the consequences of termination prior to expiry of the contract period?	Depending on the agreement between the parties, an early termination of a contract may lead to a penalty or payment of damages by the party that terminated the contract.
What are the consequences of automatic termination on expiry of a fixed-term contract?	The parties will not have any obligations for further performance, unless expressly varied.
Detailed Commentary	
<p>As a general rule the termination of a contract and its notice period are mainly subject to the parties' agreement, while there are no general statutory rules on termination of contracts. However, pursuant to the principle of good faith and article 281 of the GCC (which forbids the abusive exercise of a right) the notice period must be reasonable taking into account all the circumstances. Furthermore, in certain types of commercial contracts, specific statutory rules apply. For example, in agency agreements, article 8, paragraph 4 of Presidential Decree 219/1991 provides for a notice period of one month applicable in the first year of the contract, which extends for one more month per year that follows. If the contract is maintained for more than six years, the law provides for a notice period of six months. Contracting parties in agency agreements may agree for a longer notice period but not for a shorter one. In agency agreements, termination is permitted at any time in the case of breach of contract or extraordinary circumstances.</p>	
10. PERFORMANCE AND DELIVERY	
Are Incoterms commonly referred to for delivery of goods?	Incoterms are commonly referred to in contracts providing guidelines for the supply of goods, and especially in contracts of an international nature.
Is there a default delivery location if not specified in a contract?	If the delivery location is not specified in the contract, then the performance shall take place at the debtor's registered seat (Art. 320 GCC).
If delivery time is not specified is one implied?	If the delivery time is not specified in the contract, the creditor shall be entitled to claim and the debtor shall be entitled to furnish an immediate performance (Art.323 GCC).
Are there implied terms in contracts that make time for performance critical to the contract?	If not expressly stated, whether time is critical to a contract or not will depend on the nature of the transaction and the particular circumstances.

<p>Can a contractor / supplier be liable for delays caused beyond its reasonable control?</p>	<p>According to the GCC, the contractor is not liable for any delay in the performance, due to an event in respect of which the contractor/supplier bears no responsibility. However, the contractor/supplier has to prove that the delay occurred due to an event of force majeure, out of his control.</p>
<p>Are there implied terms governing suppliers' obligations to deliver and/or perform the contractual obligations in accordance with the contract terms?</p>	<p>As a general rule, the fulfilment of a supplier's obligations (both qualitative and quantitative) must take place appropriately and in a timely manner, as dictated by good faith and commercial practices (Art. 288 GCC), and also taking into account the parties' particular agreements. Furthermore, in the absence of agreement to the contrary, suppliers must fulfil their obligations in full (Art. 316 GCC). Suppliers who do not perform their obligations according to the specific agreements or good faith and moral ethics, are liable for breach of contract (Art. 374–376 GCC). In particular, with regard to supply contracts, according to articles 534-535 of the GCC, the seller must deliver the goods with the agreed qualities and without any material defects. A defect is considered everything that could reduce the value or the use of the product for the purpose that it is intended. An agreed quality is considered everything the parties, either explicitly or implicitly, agree the product shall have that is important for the buyer and is guaranteed to exist in the product by the seller. Breach by the seller of this above-mentioned obligation is considered as either non-performance of a contractual obligation or defective performance and it incurs liability (Art. 537–540 GCC), unless the buyer had knowledge about the lack of agreed qualities or the defects of the products. Additionally, in the case of services provided, under a works contract, article 681 of the GCC provides that the supplier of services must deliver works with the qualities agreed on without minor or substantial defects that destroy its fitness for its ordinary or stipulated use. If the supplier breaches its obligation, the counterparty may request the removal of defects or the proportional reduction of the remuneration, or rescind the contract or request compensation for non-performance, depending on the circumstances (Art. 688–690 GCC). The warranties implied by law for the quality of the products or services provided arising from the principle of good faith are mandatory and cannot be contracted out of. However, the parties may deviate from or</p>

	<p>formulate the warranties provided by special provisions; for example, the parties may define the particular agreed qualities of the product or of the services to be provided. Finally, as already mentioned, pursuant to article 332 GCC, the parties cannot agree on any limitation of the supplier's liability caused by intent or gross negligence.</p>
<p>Detailed Commentary</p>	
<p>The provisions regarding delivery of goods are distinguished in those to be collected at the place of the debtor's (supplier's) domicile/ registered seat, those to be collected at the creditor's (buyer's) domicile/ registered seat and those to be sent to the creditor's domicile/ registered seat. If the location of performance is not provided or otherwise cannot be concluded by the contract or the circumstances, then the performance shall take place at the debtor's registered seat. The delivery time can either be concluded by the contract or the circumstances, and if not, then the provision of Article 323 GCC applies to the contract, as mentioned above. It is noted that the supplier's obligations are distinguished in primary and secondary ones. Secondary obligations arise either by the contract or the law and the principle of good faith. If they are not verbally set in the contract, then those are implied by provisions of law (GCC). Hence, the provisions of law and the principle of good faith provide implied terms that govern suppliers' obligations to deliver and perform their contractual ones. Those implied terms are characterized as secondary obligations, but they can be defined as primary ones if that is explicitly agreed in the contract concluded.</p>	
<p>11. WARRANTIES</p>	
<p>Is there a concept of "warranties" and if so what does it mean?</p>	<p>The GCC does not provide for explicit or implied "warranties" as such.</p> <p>However, it does provide an overall general binding obligation upon the parties to any agreement whatsoever to carry out their contractual obligations in good faith, taking trade usage into consideration (GCC art. 288). This obligation applies both to the provision of services and to the sale of goods and cannot be limited by agreement or contracted out by the parties.</p>
<p>Can warranties or conditions be implied for goods/services?</p>	<p>The GCC sets out specific provisions governing the parties' obligations, which do not introduce implied warranties but grounds for liability of the parties in certain circumstances.</p> <p>Therefore, within the Greek legal system, these provisions constitute an equivalent to warranties for goods/services.</p> <p>Such equivalents to warranties can be implied for goods/services by virtue of certain provisions of law.</p>

<p>Can a party exclude, or limit liability for the breach of, an implied warranty or condition?</p>	<p>Yes, under Greek civil law, exclusion or limitation of liability in that regard ("implied warranties") is introduced according to certain provisions.</p>
<p>Detailed Commentary</p>	
<p>Equivalents to implied warranties under Greek Civil law are actually introduced in the following provisions:</p> <p>a) The provisions governing the "sale of goods", which also, by analogy of law, apply to any contracts, which establish obligations relating to sale upon consideration.</p> <p>Within the context of contracts of sale, the seller is liable to the purchaser by virtue of provisions of law in case the goods concerned are not free from actual and legal defects (i.e. rights of third parties enforceable against the purchaser) as well as in case of lack of promised qualities (Art. 514, 534, 535 GCC).</p> <p>b) The provisions governing the 'rent of property' (especially immovables).</p> <p>Within the context of contracts for rent of property, the lessor is liable to the lessee by virtue of provisions of law in case the leased property is not suitable for its intended use and is not free from actual and legal defects as well as in case of lack of promised qualities (Art. 575, 576, 577, 583 GCC).</p> <p>c) There are also some basic equivalent provisions to implied warranties when a party assumes responsibility to perform a certain work for a consideration or in case of services professionally rendered.</p> <p>In particular, within the context of works contracts, the contractor is responsible for good performance and consequently liable for the absence of essential or non-essential defects (Art. 688, 689 GCC).</p> <p>Other than that, the criterion of good faith, which is interpreted to mean objective or commercial integrity, is in effect an implied obligation upon the parties to perform their contractual obligations with diligence and with regard to the objective interests of the other party in view of the particular circumstances or trade usages in effect each time. Good faith is a criterion ultimately applied by the courts.</p> <p>Within the context of sale of goods, the seller is not held liable under the following conditions:</p> <p>(a) if the purchaser was familiar with the legal defects at the moment of execution of the contract (Art. 515 GCC),</p> <p>(b) or in the event of defects or lack of promised qualities, if the purchaser knew at the moment of execution of the contract that the goods concerned do not meet the specifications of the contract or this failure to meet the specifications of the contract is attributable to materials provided by the purchaser (Art. 537 GCC).</p> <p>Within the context of rent of property, the lessor is not held liable under the following conditions:</p> <p>(a) if the lessee was familiar with the above facts (actual and legal defects, lack of promised qualities) at the moment of execution of the contract (Art. 579, 583 GCC),</p> <p>(b) if the lessee was not familiar with the defects due to gross negligence at the moment of execution of the contract, unless the lessor promised that there is no such defect or if he withheld such defect with wilful misconduct. In such a case, the lessor is liable. (Art. 580 GCC), and</p>	

(c) if the lessee was familiar with the actual or legal defects or lack of promised qualities and received the leased asset without any reservations (Art. 581 GCC).

Within the context of works contracts the contractor is not held liable towards the employer for defects arising from the employer's fault from the employer's instructions notwithstanding the express objection of the contractor (Art. 691 GCC).

12. LIABILITY

Can the liability of the parties be limited and/or excluded?

Under Greek law, contractual limitations of overall liability are in principle enforceable. On the basis of the principle of "contractual freedom" (Art. 361 GCC), contracting parties are free to agree to limit or even to exclude overall liability.

Nevertheless, such freedom is subject to the restrictions imposed by certain provisions of law as well as the fundamental principles governing Greek civil law. Hence, any limitation or exclusion of liability is tempered by the effect of article 332 of Greek Civil Code which precludes exclusion or limitation in advance of liability for willful misconduct or gross negligence, making it possible to only validly agree upon the exclusion or limitation of liability arising out of slight negligence.

Can parties restrict their liability for losses caused by their fault or inaction?

In the light of Art. 332 of the Greek Civil Code, the parties can restrict their liability for losses caused by their fault or inaction.

The contracting parties are allowed to limit the liability in advance by virtue of a contractual provision, but only up to a certain degree, since Greek law does not recognize such a limitation where there has been willful misconduct or gross negligence.

Therefore, article 332 of Greek Civil Code makes it -in principle- possible to only validly agree upon the exclusion or limitation of liability arising out of slight negligence.

However, such exemptions from liability may not apply in the following cases:

(a) if the creditor is employed by the debtor,

(b) if liability arises from doing a business on the basis of a prior concession given by a competent authority.

The said provision constitutes "jus cogens" which may not be contracted out by agreement of the parties.

Can liability for false or misleading

No, liability for false or misleading representations

<p>representations be excluded in a contract?</p>	<p>cannot be excluded in a contract.</p> <p>Again, a party cannot exclude or disclaim liability for gross negligence or wilful misconduct, due to the blanket provisions of Art. 332 GCC, which apply to all types of contracts as a fall-back.</p> <p>Moreover, according to Art. 580 GCC, the lessor remains liable towards the lessee if he ascertained that there is no defect or if he withheld such defect with wilful misconduct.</p>
<p>If the contract is silent on liability are some limitations automatically implied?</p>	<p>Yes, limitations of liability are automatically implied by virtue of certain provisions.</p>
<p>Can the parties be liable after discharging their obligations?</p>	<p>Yes, the parties can remain liable after discharging their obligations according to specific provisions of the GCC.</p>
<p>Is it possible for a contract to impose a cap on total liability?</p>	<p>The parties to a contract cannot impose a cap on total liability.</p> <p>According to article 332, it is not possible for the parties to contractually exclude, limit or disclaim liability for wilful misconduct or gross negligence. Instead, the parties are able to validly agree upon the exclusion or limitation of liability arising out of slight negligence.</p>
<p>Can a contract impose defined damages or a penalty for breach of certain terms?</p>	<p>Yes, the parties to a contract may agree upon the imposition of penalties, irrespective of the incurrance of damages or the amount of the same, which become payable upon the occurrence or non-occurrence of certain events also to be determined by the parties (Articles 404-407 GCC).</p> <p>Although such penalties do not need to represent reasonably quantified damages, it should be noted that they are ultimately subject to review by the courts under article 409 GCC.</p>
<p>Can a contractor be liable for the performance of a sub-contractor?</p>	<p>In principle, under article 334 GCC, the contractor is liable for any fault of his sub-contractor.</p> <p>However, it is expressly stipulated to the said article that liability for fault of persons used or employed by the parties for the performance of their contractual obligations towards a third party, may –in principle- be limited or excluded in advance.</p> <p>Such exemptions from liability may not apply in the following cases:</p>

	<p>(a) if the creditor is employed by the debtor, (b) if liability arises from doing a business on the basis of a prior concession given by a competent authority (this entails a business enterprise with a monopolistic position, usually related to the utility services).</p>
<p>Detailed Commentary</p>	
<p>As already stated any limitation or exclusion of liability is tempered by the effect of Art. 332 of the GCC which precludes exclusion or limitation in advance of liability for wilful misconduct or gross negligence, making it possible to only validly agree upon the exclusion or limitation of liability arising out of slight negligence.</p> <p>Moreover, certain provisions which relate to specific contracts (for e.g. Art. 679 GCC relating to employment contracts) provide for the nullity of agreements which limit or exclude liability in advance.</p> <p>Any limitation of liability must be in conformity with the general principles of law “bonos mores” as well as the requirements of good faith (articles 178, 179, 281, 288 GCC). In view of this, any clauses, which excessively limit the liability of the party in the strongest bargaining position are likely to be judged as abusive and consequently, null and void.</p> <p>It is noted that exclusions or limitations of liability in respect of injury to life and health are also prohibited in accordance with general public policy provisions of the GCC (Art. 178, 179, 288 GCC).</p> <p>In any case, clauses relating to the limitation of liability must be restrictively construed as to their scope of application (in accordance with the requirements of good faith – Art. 200 GCC).</p> <p>It is however possible to validly exclude or limit liability for all types of liability by means of a subsequent agreement between the parties <u>following</u> the occurrence of the event giving rise to liability (e.g. by way of a settlement agreement).</p> <p>Within the context of contracts of sale, the seller remains liable to the purchaser owing to defects or lack of promised qualities for a period of five (5) years as regards immovables and for a period of two (2) years as regards movables, in both cases as of the time of sale (Art.554 GCC).</p> <p>Moreover, another extension of the seller’s liability towards the buyer is introduced in article 556 GCC. According to the said article, if a specified period for the liability of the seller is agreed in relation to a defect or to the lack of a promised quality, in case of doubt, the statutory limitation for such defect or lack of a promised quality which occurred within this period, is considered to have begun from the time of their occurrence.</p> <p>Within the context of contracts for rent of property:</p> <ul style="list-style-type: none"> -the lessee remains liable to the lessor for a period of six months, following the assumption (by the lessor) of the leased asset/property. (Art. 602 GCC) and -the lessor remains liable to the lessee for a period of six months following the termination of the lease agreement (Art. 603 GCC). <p>Extension of liability is also provided under Art. 693 GCC relating to the statutory limitation of the employer’s claims in works contracts.</p>	
<p>13. PRODUCT LIABILITY</p>	

<p>Are there implied provisions regulating product liability?</p>	<p>Yes, there are implied provisions in Law 2251/1994 Law for the Protection of Consumers, which regulate the product liability.</p>
<p>Can you contract out of product liability?</p>	<p>In principle, one cannot contract out of product liability, but one can prove that he bears no liability according to the provision of Article 6 of the aforementioned law. On the other hand, the manufacturer will be exempt from liability if it can prove that:</p> <ul style="list-style-type: none"> a) it did not circulate the product in the market; b) the defect did not exist at the time that the product was circulated (i.e., at the time that it left the production facility); c) it did not manufacture the product with the intention of distributing it and did not distribute the product as part of its business activity; d) the defect was because of the fact that the product was manufactured in accordance with mandatory legal requirements; e) at the time when the product was circulated in the market, the existing scientific and technical standards did not allow for the manufacturer to diagnose the defect in the product; or f) the damage was caused due to a failure of the consumer to strictly follow the “instructions of use” published by the manufacturer
<p>Detailed Commentary</p>	
<p>In Article 2 of the Law 2251/1994 special provisions are set that determine which terms are characterised as abusive. In par. 6 of Art.2 it is stated that “General terms for transactions resulting in substantially upsetting the balance of rights and duties of the contracting parties at the expense of the consumer are forbidden and void. The abusive character of a general term incorporated in a contract is established after evaluating the nature of goods or services referred to in the contract, the objective of the contract, all special conditions upon the contract’s conclusion and all other clauses of the contract or of any other contract upon which the said contract depends. Product liability, namely the suppliers’ obligations.” Contracting out of product liability is one of the abusive terms that are listed in par.7 of the same Article and is expressly provided under case m) “In all cases, abusive terms are mainly the ones which: exclude or restrict immensely the responsibility of the supplier”.</p>	
<p>14. RISK AND TITLE</p>	
<p>In contracts for the sale of goods, at what moment/time is title transferred to the other party?</p>	<p>According to article 513 of the GCC, title is transferred to the buyer at the time of actual delivery of the goods.</p> <p>It is usual that delivery of goods to the buyer and payment of the price to the seller are two</p>

	simultaneous actions.
Are there effective measures which can be taken to ensure retention of title?	Yes, by an express contract term. Such possibility/option is explicitly provided by virtue of article 532 of the GCC.
If title is retained pending payment is this sufficient protection for the seller?	Yes. However the seller may either request payment of the purchase price or rescind the contract.
Does a retention of title clause secure all claims of the seller against the buyer?	No, a retention of title clause secures only the claim of the seller with respect to the payment of the price.
Are there any formalities for transferring title of goods?	Other than delivery of possession, there are no formalities for the transfer of title of moveable goods (except for land).
Does the risk of loss or damage to goods pass on delivery?	Under article 522 GCC the risk of loss or damage to goods passes on delivery. Moreover, article 524 GCC provides that if the seller proceeds to the dispatch of the goods to a place other than the one initially agreed, the risk of loss or damage to goods passes to the buyer once the goods have been handed over for such dispatch. In cases where the parties have incorporated a retention of title clause to their contract, the risk or damage to goods passes to the buyer upon delivery of the goods to him and despite the fact that title is not yet transferred to the buyer.
Detailed Commentary	
In case the parties have incorporated a retention of title clause to their contract, title is transferred to the buyer only upon payment of the price to the seller (and notwithstanding the fact that the goods have already been delivered to the buyer).	
15. REMEDIES FOR BREACH OF CONTRACT	
What remedies are available in case of breach of contract?	Depending on the seriousness of the contract term breached, and the agreement of the parties, different remedies are available. Usually it is agreed that a penalty will be paid by the party that breaches the contract. In case of breach of a fundamental contract term by one party, it is most commonly agreed that the other party is entitled to terminate the contract. The parties agree, which terms or conditions are regarded as fundamental and may grant to a party the right to terminate the contract.

	Judicial remedies may also be taken.
Will the remedy for breach of a contract term always be the same?	No, it depends on the type of agreement and/or breach. For example in case of termination of an agency contract by the principal, the agent is entitled to a specific clientele's compensation, specifically provided for these kind of contracts (see below Questions 17 and 18).
Are damages the usual remedy for breach of contract?	In most cases yes. However in specific cases other kinds of remedies are available. For example in the case of lack of agreed properties in sales contracts a may be the replacement of the contract's object.
Can the contract specify damages or penalties to be paid for breach of contract?	Yes, the amount of which in most cases is agreed in advance; each party may seek further compensation by submitting a lawsuit before the competent Civil Court, in case it considers that the agreed compensation does not cover its damage.
Will the parties only be liable for loss flowing directly from the breach of contract?	The parties are liable for direct damages caused by the breach of the contract as well as for any indirect damages, mainly loss of profit. The parties are liable also for torts, as a result of the breach of the contract.
Can a party obtain punitive or special damages for a breach of contract?	No; in principle no punitive or exemplary damages are available under Greek law.
Detailed Commentary	
<p>In general, Greek law provides for the right to request compensation for breach of contract that may be subject to the parties' particular agreement (e.g., financial caps, exclusion of liability for slight negligence), always subject to the principle of good faith and common commercial practice.</p> <p>Greek law does not recognise punitive or special damages as applied in other jurisdictions. However, Greek law provides for other types of compensation, which serve a similar purpose:</p> <p>(a) Penalty clause: pursuant to articles 404–407 GCC, the parties may agree that in the case of a particular breach of the contract, the liable party must pay the other party a particular amount. Furthermore, the amount of the penalty must be reasonable and not excessive.</p> <p>(b) Down payment: pursuant to articles 402–403 GCC, on entering a contract one of the parties (the party that undertakes the payment obligation in the contract) proceeds to the payment of a specific amount that will be forfeited if that party fails to perform the contract. The party that receives the down payment will have to pay back double the amount if it fails to perform the contract. In any case, the payment of a penalty does not preclude a party's right to request additional damages.</p>	
16. DISPUTE RESOLUTION AND GOVERNING LAW	
Can the parties choose how disputes are	Parties can choose the way they prefer to resolve

resolved?	their disputes arising from their contract.
Do specific provisions apply to arbitration?	The institution of Arbitration is provided for by Articles 867-903 of the Greek Code of Civil Procedure (GCCP), as well as by the Presidential Decree 31/1979
Is there a local arbitration institute that is commonly utilised?	Yes, in Greece the parties usually provide that their disputes shall be resolved within the rules of the Institute of Arbitration and Alternative Methods of Dispute Resolution of the Athens Chamber of Commerce and Industry (Art. 902 GCCP).
Do parties need a connection to a foreign jurisdiction to choose it as an arbitral venue?	The parties do not need to have a connection to a foreign jurisdiction in order to choose the arbitral venue. However, in practice, a link exists, when a foreign jurisdiction is chosen.
Can the parties choose the law applicable to the contract?	Yes, the parties can choose the law applicable to the contract.
Can foreign jurisdiction rulings on contracts have effect in the relevant jurisdiction?	Yes, foreign jurisdiction rulings on contracts do have effect in the relevant jurisdiction.
Where the governing law of a contract is disputed, are there one set of rules which determine the governing law?	When the governing law of a contract is disputed or when it has not been agreed by the parties, depending on the type of the contract, then the Articles 4- 33 GCC determine the governing law.
Is the New York convention commonly used to enforce foreign awards?	Yes, the New York Convention is the main instrument in virtue of which the foreign awards are recognized enforced in Greece.
Detailed Commentary	
It is notable that the commercial arbitration is mainly governed by the parties' will. This means that the parties are free to determine the applicable law and the arbitral venue of their disputes. According to one part of the theory, Article 25 of the GCC is applied when the governing law is chosen by the parties. This, however is disputed, as the opposite view, reasons that conflict of laws rules, such as Art.25 (Art. 4- 33 GCC) cannot be applicable in arbitration due to its contractual nature.	
17. DISTRIBUTION AGREEMENTS	
Are distribution agreements regulated?	Non-exclusive distribution agreements are not specifically regulated and they are subject to normal contractual rules. However, exceptionally, exclusive distribution agreements are regulated by art. 14 § 4 of Law 3557/2007 which provides application, by analogy, of Presidential Decree 219/1991 on agency agreements.

Can terms be implied?	Only for exclusive distribution agreements, according to the Presidential Decree 219/1991. In case certain conditions are met, then (goodwill compensation/additional compensation as provided for by the GCC) upon termination or mere expiration of the “exclusive” distribution agreement.
Are there minimum notice periods needed for termination of a distribution agreement?	Only for exclusive distribution agreements, according to the Presidential Decree 219/1991. These notice periods are the same as for agency agreements (see below the chapter on agency agreements).
Is there a statutory payment for termination of a distribution agreement?	Only for exclusive distribution agreements, according to the Presidential Decree 219/1991. These payments are the same as for agency agreements (see below the chapter on agency agreements).
Detailed Commentary	
<p>Non-exclusive distribution agreements are subject to normal contractual rules and are not regulated by any specific legislation that applies exclusively to this type of agreement. However, Presidential Decree 219/1991 on agency agreements, implementing into Greek Law, Directive 86 / 653 /EEC on the coordination of the laws of the Member States relating to self-employed commercial agents, apply exceptionally, by analogy on exclusive distribution agreements, as well.</p> <p>More specifically, pursuant to standing Greek case law, the following are considered crucial in order for an exclusive distribution agreement to fall under the Presidential Decree 219/1991:</p> <ul style="list-style-type: none"> a) The distributor acts as part of the commercial organization of its supplier, having the same integration level to the distribution network as a commercial agent; b) The distributor has substantially contributed to the expansion of the supplier’s clientele acting similarly as if he were a commercial agent; c) The distributor undertakes the obligation not to compete with his supplier (non-compete clause); d) The supplier is aware of the distributor’s clientele and keeps enjoying the benefits therefrom following termination of the distribution agreement; e) The distributor’s economic activities and benefits are similar to the ones of a commercial agent (irrespective of their legal qualification); f) The distributor is obliged to continually and exclusively promote the supplier’s products within the Territory set in the agreement and be monitored by the supplier regarding his business; g) The distributor is obliged to advertise the products whether the advertising expenses are borne by the distributor or the principal; h) The distributor is obliged to restrain from disclosing any confidential information. <p>The contracting parties should take care to avoid entering into an agreement that could be</p>	

deemed anti-competitive, pursuant to EU and/or Greek competition laws, and would therefore be voidable for breach of such laws.

18. AGENCY AGREEMENTS

Are Agency agreements regulated?	Yes, by Presidential Decree 219/1991 on agency agreements which is in conformity with EU Directive.
Can terms be implied?	Yes, regarding (for example) the minimum remuneration that the agent is entitled to.
Are there minimum notice periods needed for termination of an agency agreement?	Yes, depending on the duration of the agreement. Such period varies from one (1) to six (6) months maximum.
Does the agent have a legal right to a payment on termination of their agreement?	<p>Provided that the commercial agent meets certain conditions (i.e. that he brought-in new clients or expanded the volume of business with the old clients and the principal maintains the benefits from such clientele etc.) then, yes, the commercial agent is entitled to goodwill compensation and additional compensation as provided by the Greek Civil Law, upon termination. Exception, however, to the above is made in case:</p> <ul style="list-style-type: none"> a) the principal has terminated the agency contract because of default, attributable to the commercial agent which would justify immediate termination of the agency contract or b) where the commercial agent has terminated the agency contract, unless such termination is justified by circumstances attributable to the principal or on grounds of age, infirmity or illness of the commercial agent in consequence of which he cannot reasonably be required to continue his activities or c) where, with the agreement of the principal, the commercial agent assigns his rights and duties under the agency contract to a third party.

Detailed Commentary

According to the law, the notice period for termination of agency agreements of an indefinite period is one (1) month for the first year of the agreement, two (2) months from the beginning of the second year, three (3) months from the beginning of the third year, four (4) months from the beginning of the fourth year, five (5) months from the beginning of the fifth year and six (6) months from the beginning of the sixth year and further, any a priori agreement of the parties providing for a shorter termination notice shall be null and void.

In the event of unlawful termination of the agency agreement between the principal and the agent (e.g. if the notice periods mentioned above are not complied with), the agent has the right to be indemnified according to the provision of Art. 914 GCC. The indemnification includes positive damages and loss of profits (Art. 298 para. 1 GCC), as well as moral harm (Art. 932 GCC)

No prior notice is required in the event that the principal terminates the commercial relationship with the agent for just cause (material reason) e.g. to the agent's failure to meet its contractual obligations or due to a situation of force majeure.

Agreements of definite period can be early terminated either following a mutual agreement of the parties involved or by either party for cause (material reason). The parties are free to agree that the termination for cause shall be effected immediately or after prior notice. If either party unilaterally terminates a contract of definite term without cause, the other party may raise claims for damages or loss of profits .

The "clientele's compensation" cannot be in excess of the average annual fees/ commission of the agent during the last five (5) years prior to the termination of the agreement. Such compensation is usually calculated based on the agent's gross profits and is provided under the following cumulative conditions:

- a) The agent has introduced, new customers to the principal or substantially promoted its existing business with previous customers;
- b) The principal maintains substantial benefits from such customers after termination of the agency agreement;
- c) Clientele's compensation is considered to be "fair" taking into consideration the circumstances and the provisions –revenues- that the agent shall no more be entitled to;

"Additional compensation" refers to claims deriving from positive damages (e.g. participation in exhibitions, non-amortized expenses made by the agent), loss of profits, defamation, staff notice etc.

Any a priori waiver of the right to compensation shall be null and void.

19. FRANCHISE AGREEMENTS

Are franchise relationships regulated?	No, franchise agreements are not specifically regulated and they are subject to normal contractual rules.
Are there any mandatory pre-contractual requirements which need to be met before entering into a franchise?	No.
Do franchise relationships need to be registered with any local body?	No.
Are any specific terms implied into franchise relationships?	No, general principles of contract law apply.
Is there a statutory payment for termination of a franchise agreement?	No, although general principles of contract law apply.

Detailed Commentary

The franchisor's usual obligations, as established by practice are:

- The grant to the franchisee of the permission to use and exploit the franchise 'packet';
- The inclusion of the franchisee in the franchise system, along with relevant support services;
- The continuous support of the franchisee during the period of the contractual relationship, along with the provisions of the relevant services;
- The award to the franchisee of a specific protected geographic area, within which the franchisee will exercise its business;
- The application of the principle of fair treatment between all the network's franchisees.

The franchisee's usual obligations, as established by practice are:

- The payment to the franchisor of a fee for participating to the franchise network.
- The active promotion of the franchisor's products sales;
- The compliance with the franchisor's system organizational principles;
- The configuration of its store according to the franchisor's standards and instructions;
- The exploitation of the franchise 'packet', exclusively via its store;
- The inability to transport its store, without prior confirmation by the franchisor;
- To abstain from competitive actions against the franchisor's interests and network;
- The supply of the agreement's products by the franchisor or persons, indicated by the franchisor;
- The maintenance of the franchise network's identity and fame;
- To secure confidentiality;
- To fully inform the franchisor on its business.