



Use of complementary currencies (CM), including a focus on the use of the legal figure of electronic money (EM), for co-production in public-private partnerships with agents of the social and solidarity economy, Greece

MedTOWN Project

Co-production of social policies with social and solidarity economy actors to fight poverty, inequality and social exclusion.

QUESTIONNAIRE PROJECTS PHASES AND LOCAL PARTNERS. MEDTOWN PROJECT. 3rd LOT.

DEMOSTRATIVE ACTION. Name: MedTOWN PAGGAIO

MUNICIPALITY, REGION AND COUNTRY ACTION: Municipality of Paggaios, Region of Eastern Macedonia and Thrace

BRIEF DESCRIPTION OF CONTEXT:

To be completed by the local partner

ARRAY TO BE FILLED IN:

N°	ASPECTS TO BE REPORTED	ACTIONS	OTHER ACTIONS/ DISCLAIMERS	OTHER DISCLAIMERS
1 ¹	Existing applicable legislation governing CM and EM	Electronic money in Greece is regulated by Law no. 4021/2011 as it is amended and codified, which has implemented the EU regulation 2009/110/EC.		Complementary currencies are not regulated. The only relevant regulation concerns “benefits in kind” which are regulated by Law no. 4172/2013.
2	Purpose of the regulation	The purpose of Law no. 4021/2011, articles 10 to 30 is to implement in the Greek legislation: i) the articles of the European parliament’s regulation 2009/110/EC as this was also voted in the Council of 16/9/2009 regarding “the		

¹ Especially related to the Social Solidarity Economy (SSE).

Co-production, a model for fair and sustainable



N° ASPECTS TO BE REPORTED	ACTIONS	OTHER ACTIONS/ DISCLAIMERS	OTHER DISCLAIMERS
	assumption, practise and preventive supervision of an electronic money institution's activities, ii) the amendment of the Regulations 2005/ 60/EC and 2006/48/EC and iii) the abolition of the Regulation 2000/46/EC (EE L 267)"		
3 ² Consideration-Theoretical Definition CM and EM (According to regulation)	"Electronic money": any monetary value stored in electronic, including magnetic, security, which appears as a claim against the issuer of the electronic money, and which has been issued after receiving money to the end of making payments as these are defined in article 4 paragraph 5 of Law no. 3862/2010 (A' 113) and is accepted by other natural or legal persons other than the issuer.		
4 Scope of application of CM and EM legislation	National	Both	Basis state law
5 Stakeholders Involved in CM and EM	Credit institutions & their branches, electronic money institutions, Hellenic Post Office, Bank of Greece, ECB, other national banks, Greek Public, Local Authorities of 1 st & 2 nd degree, EU member states and/or their local or regional authorities, the beneficiaries (any natural or legal person who is the end receiver of the funds), payment	<ul style="list-style-type: none"> - All the stakeholders - Commercial companies & service providers - Commerce & services intermediates - IT development companies - Independent Software Vendors (ISV) and their merchants 	

² Necessary for making comparative terms of equivalent concepts

Co-production, a model for fair and sustainable



societies

N° ASPECTS TO BE REPORTED	ACTIONS	OTHER ACTIONS/ DISCLAIMERS	OTHER DISCLAIMERS
	services providers either in money or other type of benefit provider		
6 Administration - competent legislative body CM and EM	Determine which bodies are responsible for creating applicable regulations <ul style="list-style-type: none"> - Bank of Greece - Ministry of Finance - Greek parliament - EC 	To which administrative-territorial areas do these bodies belong and with what competence? <ul style="list-style-type: none"> - Bank of Greece is the national competent authority - Ministry of Finance is the national ministry regulation all financial matters - Greek parliament is the national legislative body - EC is the European Union's legislative body 	
7 Administration - competent executive body CM and EM	Determine which bodies are responsible for applying and enforcing the existing PP regulations <ul style="list-style-type: none"> - Bank of Greece 	To which administrative-territorial areas do these bodies belong and with what competence? <ul style="list-style-type: none"> - Bank of Greece is the national competent authority - Bank of Greece receives guidelines and directives from the European Banking Authority - The Hellenic Council of State (Symvoulío tis Epikrateias). 	
8 Measures promoting or encouraging CM and EM	Are there any specific measures, grants or incentives to promote PP and PPP actions? YES	Examples: <ul style="list-style-type: none"> - COVID-19 Vaccination for youth under 26 y.o. - Extra subsidy for Fuel subsidy beneficiaries, using EM 	

Co-production, a model for fair and sustainable



N° ASPECTS TO BE REPORTED	ACTIONS	OTHER ACTIONS/ DISCLAIMERS	OTHER DISCLAIMERS
		Regulated by the Ministry of Finance	
9 Other CM and EM related legislation	Point out Regulations Law no. 4537/2018	Relationship-Influence with SSE	
10 Possibility of creating new CM and EM legislation	How to carry it out, phases and persons to be involved Yes, there is the possibility either via new EBA/EC regulations or via the Greek Ministry of Finance. In Greece, the legislation has to be drafted by the respective Ministry usually with the cooperation of the executive body (Bank of Greece), then it is offered for public discussion, then submitted to commissions for discussion, then voted for in the parliament and published in the Government Gazette.	What Territorial-Administrative Scope? EBA and EC issue regulations that have to be implemented in all EU member states. The Greek Ministries' regulations are applicable in Greece.	
11 Possibility to amend existing legislation CM and EM	Way to do it Same as above phases	What Territorial-Administrative Scope? Same as above phases	
12 Problem Identification/Regulatory implementation CM and EM	Indicate whether there are any specific problems or loopholes in the CM and EM regulation Yes, there are.	Identify such problems, loopholes and other regulatory conflicts. Several of the authorities granted to the executive body (Bank of Greece) are discretionary rather than circumscribed, which naturally creates irregularities in the implementation of the law. In addition, there are technical aspects which have not been regulated and this is attempted to be fixed by later directives and regulations.	

Co-production, a model for fair and sustainable



N° ASPECTS TO BE REPORTED	ACTIONS	OTHER ACTIONS/ DISCLAIMERS	OTHER DISCLAIMERS
13 CM, EM and other regulations applicable to the Demonstration Action (Concrete Project)	- Not Applicable		
14 Are there other forms of currencies other than legal tender or are they prohibited?	Point out In the strict sense of currency, the only currency permitted only in private transactions is crypto-currency, which under the Greek law is not treated as a currency but as an investment and taxed as such. Other currencies are not regulated. In the broader meaning benefits in kind are permitted as a currency used to pay for services.	If so, what legal and juridical framework applies to it? Both of these types are only regulated under the taxation law for income, law no. 4172/2013.	
15 Are there any financial services other than legal tender provided by financial institutions?	- No		
16 Apart from the State/Government and associated banks (Central Banks) are there other institutions that can issue legal tender and electronic money?	Indicate which ones and the regulations Electronic money can be issued by the following: a) credit institutions according to the definition set in par. 1 art. 2 of law no. 3601/2007 (A' 178), including the credit institution branches, according to the definition set in par. 3 of the same		

Co-production, a model for fair and sustainable



N° ASPECTS TO BE REPORTED	ACTIONS	OTHER ACTIONS/ DISCLAIMERS	OTHER DISCLAIMERS
	<p>article, located inside the EU whose headquarters are located outside the EU, according to the framework set in art.38 directive 2006/48/EK' b) the electronic money institutions, as these are defined in case no. 3 art. 10, including according to art. 18 the inside EU electronic money institutions' branches whose headquarters are located out the EU c) the postal money order offices which are authorized according to the national regulations to issue electronic money.</p>		
<p>17 Are the services paid for with these local currencies (Complementary Currency Systems, CCS) subject to VAT, social security or other similar taxes and charges?</p>	<p>Indicate which ones and the regulations.</p> <p>The taxes imposed to a service or other good are irrelevant to the method of its payment. So services paid through EM and PSP are subject to all the taxes that are applicable to the specific service.</p>		
<p>18 Is there any kind of legal security (insurance) coverage backing local currency and e-money related to the SSE?</p>	<p>Indicate which ones and the regulations.</p> <p>NO</p>		
<p>19 Is there an inventory, ledger or similar document that records and preserves transactions</p>	<p>Indicate which ones and the regulations.</p> <p>There are no such regulations.</p>		

Co-production, a model for fair and sustainable



N°	ASPECTS TO BE REPORTED	ACTIONS	OTHER ACTIONS/ DISCLAIMERS	OTHER DISCLAIMERS
	based on local currency?			
20	Other issues to highlight	-		

CHALLENGES & RECOMMENDATIONS:

The definition of electronic money is not clear to the Public and Private sector and as a result its use is not preferred. An education campaign could assist to resolve this.

MEASURES TO BE IMPLEMENTED:

Not applicable in the MedTOWN PAGGAIO Demonstrative action.

OTHER INTERESTING SUGGESTIONS/NOTES:

CM and EM could be used in certain occasions at local level, to enhance local economy.

IDENTIFIED CONFLICTING ISSUES (if any):

No.

EXAMPLES OF ACTIONS DEVELOPED IN THE FIELD OF SSE IN THE COUNTRY, REFERENCES AND HOW THEY HAVE BEEN DEVELOPED (if any):

No

