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**Sent:** jeudi 30 juillet 2015 15:46  
**To:** 2-GCB-AllGreenCardBureaux  
**Subject:** CIRCULAR 091/2015: Subject of the Circular

## CIRCULAR 091/2015

30<sup>th</sup> July 2015  
**To: Green Card Bureaux**

Dear Members,

### Concerning: Capital controls in Greece

Last month the Green Card market in Greece, together with their international counterparts, were faced with the decision of the Greek government to introduce capital controls in the country. Among other things, these controls limited the ability of Greek businesses to freely make international payments, including those of Greek insurance undertakings, the Bureau, and 4<sup>th</sup> MID bodies related to their respective obligations.

Since the start of the capital controls, the Council of Bureaux has been closely collaborating with the Greek Bureau to understand the developments and monitor the situation in light of possible consequences for the Green Card system. The President of the CoB, the Secretary General, and the Chairman of the Monitoring Committee have repeatedly met with the management of the Greek Bureau, including the new Chairman of the Bureau, Mr Anastasios Pagonis. On-going contact has been maintained between the Greek Bureau and the CoB Secretariat to exchange all relevant information, the Secretariat has continuously analysed the developments and worked closely with the Greek Bureau to ensure that the possible adverse effect of the controls on the functioning of the Greek Green Card market can be mitigated.

At their introduction, the capital controls only allowed international transfers with the authorisation of the newly formed Banking Transactions Approval Committee (BTAC). Furthermore, it was the impression of the CoB that some time was required to devise and fine-tune the methods of operation of this Committee, which stalled virtually all international payments from Greece. During our meeting with the Bureau of Greece last week, however, we have received strong indications that the Committee is gradually streamlining its operations, and **international transfers will be possible through the approval of the Committee.**

In addition, **the Greek government has recently allowed the branches of some Greek banks to autonomously approve the international transfers of their clients, without the intervention of the BTAC, up to a limit of EUR 100'000.** This will further ease the strain on cross-border transfers and help Greek insurance undertakings to make payments to their Green Card system counterparts in a timely manner.

Lastly, according to information received from the Greek Bureau, **payments using funds remitted to Greek bank accounts after 18<sup>th</sup> July 2015 are not subject to approval.** This means that the Greek Bureau and insurance undertakings can freely (without the approval of the BTAC or banks) make international payments using the money they have received from abroad since the mentioned date, or will receive in the near future, regardless of the existence of capital controls.

The above changes should be sufficient to re-establish and maintain the unobstructed functioning of the Green Card and protection of visitors systems in Greece, including timely cross-border payments between Greek insurance undertakings and their counterparts abroad.

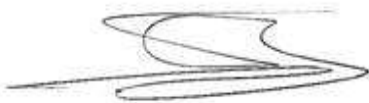
As an additional measure, the Council of Bureaux has also discussed with the Bureau of Greece the possibility to channel Green Card payments through bank accounts outside of Greece, in order to avoid the application of capital controls. The Greek Bureau is currently in the process of opening a bank account abroad, which may then be used to receive all payments on behalf of the Greek market and make respective payments in the opposite direction.

Should the situation so warrant in the near future, and as soon as the necessary account is operational, you will be notified about the request of the Greek Bureau (if a respective decision is taken) to effectuate payments to this centralised account. The Greek Bureau will thus centralise all payments to and from the Greek market in order to secure the timely and efficient fulfilment of all obligations, as a last resort an in case of complications with the above mentioned mechanisms.

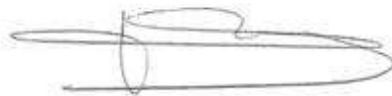
In the meantime, the Council of Bureaux has addressed an official letter to the European Commission calling their attention to the fact that the capital controls present a serious risk to the protection of cross-border road traffic victims both in the Green Card system and in the framework of the 4<sup>th</sup> MID and are in clear contradiction to the Constitution of the CoB as well as the letter of undertaking furnished by the Greek government. We expect that the European Commission will intervene in support of lifting the capital controls for the Greek MTPL insurance (and subsequently Green Card and PoV) business.

The CoB Secretariat and the management continue to monitor the developments closely, and will be prepared to take all necessary steps to ensure the integrity and the unobstructed operations of the system. In the meantime, we invite all Member Bureaux and their member insurance undertakings to maintain working relationships with their Greek counterparts and refrain from placing additional undue strain on the day-to-day financial flows.

Yours sincerely,



Jean Zenners  
President



Greet Floré  
Secretary General