

Embassy of India

Athens

Subject: Advisory for Indian Small and Medium Enterprises (SMEs) doing/interested in doing business with Greek companies

[Note: The Advisory has been issued to protect the interests of Indian Small and Medium Enterprises that intend to or are doing trade with Greek companies. It is intended to enhance the commercial cooperation between India and Greece by addressing some of the risks faced by Indian SMEs to take preventive and/or mitigating action]

The information contained in the advisory is based on trade-related problems that are periodically brought to the Embassy's attention for information, facilitation and assistance. It is meant to serve as broad guidance cataloguing some major checkpoints that could be observed by Indian companies in trade transactions with Greek companies to prevent possibility of problems or disputes. It does not substitute in any way the Company's own actions or responsibility in this regard.

2. Typically, the trade-related problems brought to the Embassy's attention cover the following issues:

For Export of items by Greek Companies:

- Supply of sub-standard goods, inferior quality;
- Refusal to send consignments on receipt of payment;
- Quantity dispute;
- Stopping communications on receipt of advance payment;
- Diversion of payment into dissociated bank accounts by third fraudulent parties by hacking into email Ids;

For Import of items by Greek Companies from Indian Companies:

- Refusal to make payment after taking control of consignment exported from India on some pretext;
- Non-release of Pre-Shipment Inspection Reports/Certificates in due time after departure of shipment from the Indian port entailing demurrage on arrival at port in Greece;
- Non-compliance of the Contractual provision to release part-payment by citing additional documentation. Mostly these are made with an intention to deliberately delay the payment till such time that the cargo reaches the Greek Port and starts accumulating demurrage which is then used as a bargaining ground by the Greek buyer.

3. Accordingly, Indian companies are advised to take due precaution while engaging in business transactions, particularly when dealing with new or unfamiliar companies. The Embassy has brought out a list of DOs and DON'Ts recommended for Indian companies interested in doing business with Greek companies. It is, however, not an exhaustive list of measures or options.

The list of DOs and DON'Ts is as follows:

DOs:

- i. Indian companies are requested to check the credibility of the Greek Company. Many a times complaints have been registered online against such fraud companies by other affected parties;
- ii. Before signing a contract, obtain a copy of the Registration of the Greek importer/exporter with Ministry of Development and Investment, Government of the Hellenic Republic and get the same verified from their website <https://publicity.businessportal.gr/company/>
- iii. Indian companies should insist on the copies of the passport/national identity card issued by Greek Government, of the representatives of the Greek company with whom the Indian Company is interacting. This would help to track down the defaulting Greek Party in case they go absconding;
- iv. Site visits may be considered for large transactions. Take photos of the company and the factory during such visit; Check whether products are produced by the company and whether the packages belong to the target company;
- v. Payment with Letter of Credit (L/C) is recommended, especially when the contract object is of a high value; alternatively, both the parties should operate through 'Bank guarantee' route. There have been instances where the importer had delayed payment due on shipping of goods under the pretext of delayed banking procedure for transfer such that the consignment reached the Greek Port even as due payment was not made by the importer. Such situation can lead to demurrage and detention charges which would be at the behest of the exporter and hence the need of relying on L/C, as a standard template.
- vi. Contracts entered with Greek companies need to have arbitration clause and proof of existence (company registration document). The contract should be in English. In case of imports, the Indian company in consultation with the Greek company could include a clause in the contract which provides for release of LC only after verification of quality and quantity of goods by an internationally accredited inspection agency at destination port;

- vii. Quality / Quantity of any product to be imported from Greece to be physically certified by the Indian company either by visiting Greece or by appointing an agency;
- viii. Physical inspection of the goods to be carried out by the importing company at the point of loading in Greece would act as an added safeguard;
- ix. Exporters or importers for a particular commodity or service can also be accessed by sending trade queries to the Embassy of India, Athens . Details can be obtained on the websites (Embassy of India, Athens-<http://www.indiaingreece.gov.in>);
- x. Check the e-mail id of the dealing foreign company, whether Greece-based or third county-based, every time a correspondence is made. For fund transfer, Indian Company must ensure that its bank account is properly communicated to the foreign company through different modes of communications (fax, courier) and not through e-mail only. Whatsapp & SMS could provide additional check;
- xi. For export of any product from India, the Indian exporter must ensure that all the procedural formalities as per Greek rules and regulations are carried out. If any Pre-Shipment Inspection (PSI) is required to be carried out by any Greek Government- authorised agency and the relevant certificate needs to be submitted for clearance of the cargo at any Greek port that must be obtained before the vessel leaves Indian port. Otherwise the ship may be stuck at the Greek port and the Indian exporter may accumulate demurrage. It may be mentioned that as per Article 30 of Ministry of Finance Regulation No. 178/PMK.04/2019 dated 28 Nov 2019 if a cargo/consignment is not cleared within 2 months of arrival, it will be declared as State Property.
- xii. Check the list of Greek Companies involved in trade disputes with Indian companies in recent years is attached herewith as Annexure.

DON'Ts:

- i. Transacting with any company from a B2B platform would require additional safeguards. Some B2B sites offer products at lower rates which act as an attraction. These websites could be avoided unless one has clearly identified the owners and other relevant details of such websites;
- ii. An Greek B2B site which is just in English and has no Greek version should be carefully investigated. Every website in Greece is inevitably in Greek and sometimes, has an English version. A site only in English with no Greek version could be a fraud;

iii. Advance payment through bank transfer may be discouraged; unless the credibility of the supplier is proved beyond reasonable doubt;

iv. Never trust email communications while confirming bank details. Always supplement it with communication through fax/courier;

v. Do not release balance payment if not sure of the quality and quantity of the product. Letter of Credit should be opened with the provision of honouring it on inspection of in-bound cargo at the Indian port and not on placement of Bill of Lading only. If B/L placement is the norm, presence of a Company representative from Greek Company may be insisted upon at the time of inspection of the cargo at the Indian port, especially, if the bulk or value of the consignment is large;

4. All the trade-related queries/complaints/grievances may be addressed to the Second Secretary (Commerce), Embassy of India, Athens at com.athens@mea.gov.in.

DISCLAIMER: The above information is suggestive in nature and Embassy shall not be deemed responsible for any legal disputes arising out of it. In case of any suggestion and alteration to the above advisory, these may be mailed to Second Secretary (Commerce), Embassy of India, Athens at com.athens@mea.gov.in.
