

Case C-210/26 *

Summary of the request for a preliminary ruling pursuant to Article 98(1) of the Rules of Procedure of the Court of Justice

Date lodged:

13 March 2026

Referring court:

Symvoulío tis Epikrateias (Greece)

Date of the decision to refer:

5 December 2025

Applicant:

KO

Defendant:

Trapeza tis Ellados AE (Bank of Greece SA)

Subject matter of the main proceedings

Action for annulment brought by a senior executive of a credit servicing company (CSC) against a decision of the Credit and Insurance Committee of the Bank of Greece ('the Bank of Greece') which imposed penalties on her for having been responsible, in view of the senior positions she held at various times within the management of the company and her powers in that regard, for infringements of the legal framework governing the operation of CSCs.

Subject matter and legal basis of the request

Meaning of 'financial institution' – Regulation (EU) No 575/2013 – Article 4(1)(26) – Directive 2013/36/EU – Article 3(1)(22) and Annex I, points 2 and 11

* Language of the case: Greek.

Question referred for a preliminary ruling

Can a credit servicing company, governed at the material time by provisions of national law (Law 4354/2015), following the grant of special authorisation from the Bank of Greece and under its supervision, which (a) is active only in that sector (credit servicing), and (b) carries out, according to the law, only activities connected with debt management (legal and accounting monitoring, recovering debt, conducting negotiations with the debtors of the managed claims, concluding settlement agreements or agreements for the restructuring and settlement of debts), be regarded as a ‘financial institution’ within the meaning of Article 4(1)(26) of Regulation No 575/2013?

Provisions relied on

Provisions of national law relied on

Nomos 4261/2014 (FEK A 107/5.5.2014), ‘*Prosvasi sti drastiriotita ton pistotikon idrymaton kai proliptiki epopteia pistotikon idrymaton kai epiheiriseon endyseon (ensomatosi tis Odigias 2013/36/EU) ...*’ (Law 4261/2014, entitled ‘Access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms (transposition of Directive 2013/36/EU) ...’): Articles 153(1), 57(2) and 59(2)(d) and (f).

In particular, Article 153 of Law 4261/2014, entitled ‘Measures, sanctions, confidentiality and other provisions applicable to financial institutions supervised by the Bank of Greece’, provides, in paragraph 1, inter alia, that the provisions of Articles 56 to 60 also apply to financial institutions subject to supervision by the Bank of Greece, in accordance with the legislation in force.

Article 57, to which Article 153(1) refers, provides, in paragraph 2, inter alia, that, in the event of infringements by institutions of the provisions of Law 4261/2014 or of Regulation No 575/2013, the Bank of Greece may, in addition to imposing penalties on the legal person, also impose penalties on members of the board of directors and other natural persons responsible for the infringement, where the infringement has been committed in the performance of the tasks entrusted to them.

Article 59, to which Article 153(1) also refers, provides, in paragraph 2, inter alia, that the Bank of Greece is to impose, by decision, administrative penalties and administrative measures, including temporarily banning the persons referred to in Article 57(2) of the law from exercising functions in institutions (point d)) and, in the case of natural persons, financial penalties of up to five million euros (EUR 5 000 000) (point (f)).

Nomos 4354/2015 (FEK A 176/16.12.2015), ‘*Diacheirisi ton mi exypiretomenon daneion, ...*’ (Law 4354/2015, ‘Management of non-performing loans, ...’), as subsequently amended: in particular, Article 1(1)(a), (1)(b), (1)(c),

(13)(a), (13)(d), (14), (15)(a), (16), (20), (23) and (24) and Article 2(1), (2) and (4).

Law 4354/2015 established a legal framework for the creation and operation of ‘credit servicing companies’ (CSCs). That law also provided for a specific system of administrative penalties to be imposed on CSCs.

In particular, it provided that if the Bank of Greece, when carrying out its supervisory responsibilities, considers that any member of the company’s management body is not suitable to act as a member of a management body, having provided reasons for its view, it may request in writing that he or she be replaced (Article 1(16)).

Apofasi 118/19.5.2017 (FEK B’ 1764/22.5.2017) tis ektelestikis epitropis tis Trapezas tis Ellados ‘Plaisio gia tin idrysi kai leitourgia etaireion diacheirisis apaitiseon apo daneia kai pistoseis tou n. 4354/2015 ...’ (Decision 118/19.5.2017 of the Executive Committee of the Bank of Greece, ‘Framework for the establishment and operation of credit servicing companies under Law 4354/2015 ...’).

Nomos 5072/2023 (FEK A’ 198/4.12.2023), ‘Daneia: Diafaneia, antagonismos, prostasia ton evaloton – Ensomatosi tis Odigias (EE) 2021/2167 ...’ (Law 5072/2023, entitled ‘Lending: Transparency, competition, protection of the vulnerable – Transposition of Directive (EU) 2021/2167 ...’).

Law 5072/2023 transposed into the national legal order Directive 2021/2167, which established, for the first time, a European Union-wide framework for buyers and servicers of non-performing credit agreements.

Provisions of European Union law relied on

Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms ... (OJ 2013 L 176, p. 1): recitals 5 and 7 and Articles 1 and 4(1), points 1, 3 and 26.

Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, ... (OJ 2013 L 176, p. 338): Articles 1, 3(22), 34 and 64 to 67, 65(1) and Annex I, points 2 and 11.

Directive 2021/2167 of the European Parliament and of the Council of 24 November 2021 on credit servicers and credit purchasers ... OJ 2021 L 438, p. 1: recitals 1, 9, 10 and 23 and Article 2(1) and (5), Article 3(1), (8) and (9), Article 4 and Article 32.

Case-law relied on

Case-law of the European Union Courts

Opinion of Advocate General Medina in *Lineas – Concessões de Transportes and Others* (C-207/22, C-267/22 and C-290/22, EU:C:2023:533, points 46 to 51 and 53) and judgment of the Court of Justice of 26 October 2023, *Lineas – Concessões de Transportes and Others* (C-207/22, C-267/22 and C-290/22, EU:C:2023:810, paragraphs 53, 67, 68, 75, 76 and 81).

Judgment of 18 May 2017, *Hummel Holding* (C-617/15, EU:C:2017:390, paragraph 22).

Succinct presentation of the facts and procedure in the main proceedings

- 1 Prior to the adoption of the contested decision, the applicant was employed as a senior executive of a credit servicing company ('CSC') established in Greece and operating at the material time in accordance with the provisions of Law 4354/2015, under the supervision of the Bank of Greece.
- 2 By decisions of the Bank of Greece issued in 2017 and 2018, the company initially obtained authorisation to carry on its activities as a credit servicer. It subsequently received authorisation for the extension of its activities to managing credit acquired from institutions not supervised by the Bank of Greece.
- 3 Under those authorisations, the company was responsible for managing the first portfolio of securitised loans of a bank established in Greece, which included loans to both individuals and undertakings.
- 4 The main services offered by the company consist of managing the portfolios it takes on with a view to maximising debt recovery.
- 5 In 2022, the Bank of Greece's Supervised Entities Inspectorate conducted an on-the-spot check of the company, with the aim, among other things, of assessing the adequacy and effectiveness of the corporate governance system and internal control mechanisms, as well as the procedures for avoiding conflicts of interest.
- 6 In its final conclusions it made a number of findings regarding the infringement of provisions of the legislative framework governing the activity of CSCs under Law 4354/2015. It was therefore deemed necessary to impose administrative penalties on both the company itself and on specific members of its board of directors, since it was considered that, through their acts or omissions, they had been responsible for the company's failure to comply with the requirements of the existing institutional framework governing the operation of CSCs.
- 7 Thus, in 2023, the contested decision of the Bank of Greece's Credit and Insurance Committee was adopted. The decision found that the applicant, as

managing director of the company from 2017 to 2022, in view of her role and duties within the company as well as the powers conferred on her during that period, bore responsibility for the acts or omissions which she had committed in respect of the infringements found. The following penalties were imposed on her:

- (a) the administrative measure of her replacement on the company's board of directors by another person meeting the suitability criteria, pursuant to the provisions of Article 1(16) of Law 4354/2015;
 - (b) the administrative penalty of a two-year ban on performing duties in institutions, pursuant to the provisions of Article 153(1) of Law 4261/2014 in conjunction with the provisions of Article 57(2) and Article 59(2)(d) of the same law; and
 - (c) an administrative fine of a total amount of EUR 18 500, pursuant to the combined provisions of Article 153(1) of Law 4261/2014 and Article 57(2) and Article 59(2)(f) of that law.
- 8 The applicant brought before the Symvoulío tis Epikrateias (Council of State, Greece), which is the referring court, the action for annulment which is the subject of the main proceedings against that decision of the Bank of Greece's Credit and Insurance Committee.

The essential arguments of the parties in the main proceedings

- 9 The applicant submits that the application of the penalty framework laid down in Article 153(1) of Law 4261/2014 on financial institutions is unlawful. She argues that CSCs should not be legally classified as 'financial institutions' within the meaning of Article 4(1)(26) of Regulation No 575/2013, because CSCs do not fall within any of the cases covered by the definition of 'financial institution' given that they do not carry out activities directly linked to the credit sector, but engage exclusively in the 'administrative factoring' of third-party debts, without assuming any credit risk.
- 10 The Bank of Greece (the defendant) argues that it was lawful to impose the contested penalties provided for in Law 4261/2014 on the applicant. In particular, it submits that, both in Law 4354/2015 and subsequently in Law 5072/2023, the national legislature lawfully attributed the legal classification of 'financial institutions' to CSCs for the following main reasons:

first, the main activity of CSCs concerns credit management, as a form of administrative factoring, which is linked to the financial sector as falling within point 2 of Annex I to Directive 2013/36, which expressly mentions, inter alia, the activity of 'factoring', and

second, CSCs may also manage portfolios of securitised loans, as in the present case; in other words, they carry out an activity falling within point 11 of Annex I

to Directive 2013/36, which expressly mentions the activity ‘portfolio management and advice’.

- 11 Consequently, according to the Bank of Greece’s arguments, the national legislature lawfully classified CSCs as financial institutions, with the result that the provisions of the penalty framework laid down in Law 4261/2014 on financial institutions were lawfully applied in respect of the applicant, in her capacity as managing director of a CSC (that is to say, the company at issue in the present case).

Succinct presentation of the reasoning in the request for a preliminary ruling

- 12 The referring court recalls that, according to recital 5 of Regulation No 575/2013, that regulation and Directive 2013/36 should form the legal framework governing access to the activity, the supervisory framework and the prudential rules for credit institutions and investment firms, with the result that that regulation should be read together with that directive.
- 13 It also notes that, as regards the definition of ‘financial institution’, Article 4(1)(26) of Regulation No 575/2013 provides, *inter alia*, that it is ‘an undertaking other than an institution and other than a purely industrial holding company, the principal activity of which is to acquire holdings or to pursue one or more of the activities listed in points 2 to 12 and point 15 of Annex I to Directive 2013/36 ...’. Article 3(22) of Directive 2013/36 refers, as regards the definition of the concept of ‘financial institution’, to Article 4(1)(26) of Regulation No 575/2013.
- 14 Next, the referring court explains that Articles 1 to 3 of Law 4354/2015 allowed for the creation, at national level, of a secondary market for non-performing loans, by establishing the legal framework for the creation and operation of ‘credit servicing companies’ and ‘credit purchasing companies’ as ‘specialised and exclusive’ companies.
- 15 According to Law 4354/2015, the specific remit of a CSC is to exclusively carry out administrative factoring activities, consisting, *inter alia*, of legal and accounting monitoring, recovering debt, conducting negotiations with the debtors of the managed claims, concluding settlement agreements within the meaning of Articles 871 to 872 of the Civil Code or agreements for the restructuring and settlement of debts, as well undertaking legal actions, including the exercise of remedies and any other judicial action for the recovery of the managed claims. CSCs are granted a special licence for that purpose and are supervised by the Bank of Greece to ensure compliance with the provisions of the law.
- 16 The referring court states that Law 4354/2015 provided for a specific system of administrative penalties and measures for CSCs. That law does not contain an express decision to refer to the sanctioning provisions of other laws, and therefore does not refer to Law 4261/2014 on financial institutions.

- 17 According to the information provided by the referring court, in the present case the Bank of Greece nonetheless imposed the contested penalties of a two-year ban on performing duties in institutions and a financial penalty, using as the legal bases for those penalties the provisions of the system of penalties laid down by Law 4261/2014 on financial institutions. In that regard, the referring court notes that, according to the Bank of Greece, the application, including to CSCs, of the system of penalties laid down by Law 4261/2014 on financial institutions automatically follows from the legislature's legal classification of CSCs as 'financial institutions' (Article 4(1)(26) of Regulation No 575/2013).
- 18 In other words, the Bank of Greece relied, in essence, on the legislative classification of CSCs as 'financial institutions' in order to establish a link between the system of penalties laid down in Article 153(1) of Law 4261/2014 on financial institutions and the system of penalties laid down in Law 4354/2015 on CSCs.
- 19 According to the referring court, various elements relating to the relevant national legislation and subsequent amendments thereto leave no doubt that the national legislature took the view that CSCs fell, as early as the publication of Law 4354/2015, within the scope of the EU concept of 'financial institution', as defined in point 26 of Article 4(1) of Regulation No 575/2013, and, therefore, within the scope of Regulation No 575/2013 and Directive 2013/36.
- 20 Consequently, as the referring court states, the preliminary question arose of its own motion as to whether that legislative classification of CSCs as financial institutions (as a result of which the penalty system applicable to financial institutions was also applied in the present case to CSCs) was correct, that is to say, whether CSCs (such as the company of which the applicant was a senior executive) did indeed fall within the EU definition of a 'financial institution' within the meaning of Article 4(1)(26) of Regulation No 575/2013.
- 21 In order to enable the referring court to determine, ultimately, when examining the lawfulness of the imposition on the applicant (in her capacity as managing director of the company) of the contested sanctions consisting of the ban on performing duties in institutions for a period of two years and of a financial penalty, whether, by relying solely on that legislative classification of CSCs as financial institutions, the Bank of Greece validly applied, as the legal basis for those penalties, provisions of the penalty framework laid down in Article 153(1) of Law 4261/2014 on financial institutions.
- 22 In developing its reasoning in that regard, the referring court interprets the provisions of Regulation No 575/2013, Directive 2013/36 and Directive 2021/2167. In that context, it infers that, for the purposes of applying the provisions of both Regulation No 575/2013 and Directive 2013/36, an undertaking which does not carry out activities in the financial sector cannot be regarded as a 'financial institution'.

- 23 It adds that that conclusion is supported by the interpretation of the concept at issue by the Court of Justice in its judgment in C-207/22, C-267/22 and C-290/22, in which it held that an undertaking, the activity of which is to acquire holdings in companies which do not carry out activities in the financial sector, is not included within the concept of ‘financial institution’ within the meaning of that directive and of that regulation.
- 24 Next, as regards, in particular, the list of activities in Annex I to Directive 2013/36, the referring court considers that, in principle, it must be understood as referring to activities linked to the banking or financial sector.
- 25 As the referring court points out, first, it follows from the wording of point 2 of that annex, relating to ‘lending, including, inter alia: consumer credit, credit agreements relating to immovable property, factoring, with or without recourse, financing of commercial transactions (including ‘forfeiting’), that an activity which consists exclusively of factoring, without at the same time being connected with the pursuit of activities in the field of credit (lending activities), cannot be regarded as falling within that point. In the view of the referring court, a systematic interpretation of that list of activities leads to the same conclusion.
- 26 Second, as regards the question of whether the management of securitised credit portfolios, also undertaken by CSCs, constitutes an activity in the financial sector which is expressly included in point 11 of that list, the referring court considers that, once again, the debt management activities of legally authorised CSCs consist exclusively of administrative factoring transactions and are not, in themselves, connected with activities linked to the banking or financial sector, and therefore cannot fall within the scope of point 11.
- 27 Lastly, the referring court states that the interpretation according to which credit management activities do not fall within the scope of Regulation No 575/2013 or of Directive 2013/36 where the operator does not simultaneously carry out activities directly linked to banking and financial activities is confirmed by the more recent Directive 2021/2167, in which ‘credit servicers’, who may carry out only the categories of activities described therein (which correspond to those carried out by CSCs under Article 2(2) of Law 4325/2015), are not classified as ‘financial institutions’ within the meaning of Regulation No 575/2013 and, therefore, do not fall within the scope of that regulation or of Directive 2013/36, since they cannot simultaneously carry out activities in the financial sector.
- 28 Consequently, the referring court takes the view that the Bank of Greece is not justified in claiming that the activity of CSCs referred to in Law No 4354/2015 may be regarded as falling within the activities listed in points 2 and 11 of Annex I to Directive 2013/36 and, therefore, that such CSCs are legally classified as financial institutions within the meaning of Article 4(1)(26) of Regulation No 575/2013.

- 29 In light of the above, the referring court comes to the conclusion that CSCs – organised by Law 4325/2015 as ‘specialised and exclusive’ companies and authorised to carry out only the credit servicing activities provided for in the law (Article 2(2)) (legal and accounting monitoring, recovering debt, conducting negotiations with the debtors of the managed claims, concluding settlement agreements or agreements for the restructuring and settlement of debts) without assuming any credit risk – do not carry out activities in the banking or financial services sectors.
- 30 Accordingly, it was not possible to classify them as ‘financial institutions’ within the meaning of Article 4(1)(26) of Regulation No 575/2013, with the result that the system of penalties laid down in Article 153(1) of Law 4261/2014 on financial institutions could automatically be implemented, solely on account of that classification, to their detriment and to the detriment of the members of their boards of directors.
- 31 However, since, as the referring court points out: (a) the legal issue referred to above has not been specifically addressed in the case-law of the Court of Justice, and (b) the interpretative conclusions drawn cannot be regarded as free of all reasonable doubt, the referring court considers it necessary to refer a question on that point to the Court of Justice for a preliminary ruling.