

Master Financial Assistance Facility Agreement (MFFA)

The Greek Master Financial Assistance Facility Agreement (MFFA) is a legal contract between the European Financial Stability Facility (EFSF), the Greek government, the Greek central bank, and the Hellenic Financial Stability Fund (HFSF), which is Greece's national bank recapitalisation fund. It specifies the terms and conditions of the financial assistance to Greece, regarding e.g. the loan amount, availability period, fees, interest and repayment. It is signed by the EFSF CEO and the Greek Finance Minister.

The provision of financial assistance under the MFFA is conditional upon Greece's compliance with policy reform measures set out in the Memorandum of Understanding (MoU), which was agreed by Greece, the European Commission, and the ECB. The MoU is a separate and self-standing document, but is linked to the MFFA - no disbursement can be made without MoU compliance, which is assessed by the institutions.

The Greek MFFA originally expired on 31 December 2014. But on 19 December 2014, the EFSF Board of Directors decided to grant a technical extension until 28 February 2015. On 27 February 2015 the EFSF Board of Directors decided to further extend the Greek MFFA by four months until 30 June 2015.

In addition, it should be noted that the MoU is a document that is often updated when a review takes place, potentially reflecting new circumstances and the need to adapt the list of policy measures to be implemented. The MoU (unlike the MFFA) did not have to be extended because it has no termination date.