Legal Snapshot

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The Protection of Heirs Against Liability for Estate Debts Under the New Greek Law of Succession

Law 5303/2026

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I. Introduction: The Problem of the Over-Indebted Estate

Succession, as a form of universal succession to the deceased's estate, has traditionally embodied the principle that the heir succeeds to both the assets and the liabilities of the estate. Nevertheless, the need has always been recognized to strike a balance between two competing interests: on the one hand, the security of legal transactions and the protection of the deceased's creditors, and on the other, the protection of the heir from the risk that succession may impose a disproportionate financial burden. This need gave rise to the development of specific mechanisms limiting the heir's liability.

Under the previous legal regime, an heir who failed to renounce the inheritance within the prescribed time was, in principle, liable without limitation and with all of his or her personal assets. Protection depended essentially on the heir's own initiative, either by renouncing the inheritance (Articles 1847 et seq. of the Greek Civil Code) or by accepting it under the benefit of inventory (Articles 1901 et seq. GCC, prior to the reform). In practice, however, inadequate knowledge of the applicable legal rules, the strict statutory time limits, and the frequent uncertainty surrounding the actual liabilities of the estate posed serious risks for heirs, particularly where the deceased had been involved in business activities or complex financial arrangements.

Law 5303/2026, through its comprehensive reform of Book Five of the Greek Civil Code (Articles 1710–2000 GCC), seeks to systematically reorganize Greek succession law. At the core of the reform lies a fundamental revision of the rules governing the heir's liability for estate debts, accompanied by a substantial strengthening of judicial estate administration (Articles 1892–1903 GCC, read together with Articles 814 et seq. GCCP).

The purpose of this article is to highlight, under the new legal framework, the principal mechanisms protecting heirs against liability for estate debts, to examine their interrelationship, and to offer a preliminary critical assessment of their effectiveness.

II. Automatic Acquisition of the Inheritance and Renunciation

The starting point remains the automatic acquisition of the inheritance (Article 1844 GCC):

"The heir acquires the inheritance automatically upon the opening of the succession, subject to Articles 1198 and 1817."

Accordingly, acquisition of the inheritance does not depend upon an express declaration of acceptance. Nevertheless, the heir retains the important safeguard of renunciation.

- **Time limit for renunciation:** four (4) months from the date the heir becomes aware of both the opening of the succession and the legal basis of his or her inheritance, or one (1) year where either the deceased's last domicile or the heir's residence is abroad (Article 1845 GCC).
- **Procedure:** Renunciation is effected by filing a declaration with the Registrar of the court having jurisdiction over the succession (Article 1846 GCC). It is irrevocable (Article 1855 GCC), and if made after the statutory deadline, it is void, with the consequence that the inheritance is deemed to have been accepted (Article 1848 GCC).

An heir who validly renounces the inheritance is deemed never to have been called to succeed (Article 1854 GCC). Consequently, the next heirs in the order of intestate succession are called to inherit in accordance with the law.

Renunciation therefore remains the primary means of achieving complete release from the deceased's debts. However, precisely because of its radical consequences - namely the loss of any entitlement to the estate's assets - it is not an appropriate solution where the relationship between the assets and liabilities of the estate is uncertain. It is in this context that the new provisions introduced by Law 5303/2026 assume particular importance.

III. The New General Rule: Exclusion of Personal Liability (Article 1892 GCC)

The cornerstone of the new system of protection is Article 1892 of the Greek Civil Code:

"The heir shall not be liable with his or her personal property for the obligations of the estate, unless he or she declares before the Registrar of the court having jurisdiction over the succession that he or she will administer and dispose of the estate freely, or unless one of the situations provided for in Article 1895 applies."

This provision constitutes a fundamental departure from the traditional principle of the heir's unlimited personal liability. The new system shifts the focus from **personal liability *(in personam)*** to a model of **proprietary liability *(in rem)***, under which liability is confined to the estate itself. At the same time, it preserves mechanisms protecting the deceased's creditors where the heir mismanages the estate or abuses the protective regime.

Accordingly, the **general rule** is now one of **liability limited to the estate**: the heir is liable only to the extent of the estate, which is treated as a separate patrimonial estate. The heir retains this limitation provided that he or she neither declares an intention to "administer and dispose of the estate freely" nor falls within any of the exceptions set out in Article 1895 GCC.

This protection is reinforced by two additional provisions:

- **Article 1894 GCC** provides that, from the publication of the judicial order initiating estate administration, the rights and obligations of the estate are automatically separated from the heir's personal property and constitute an independent patrimonial estate.
- **Article 1894(2) GCC** prohibits the registration, after the deceased's death, of a mortgage or a prenotation of mortgage over estate immovable property in favour of either the heir or the heir's personal creditors.

An heir who wishes to merge his or her personal property with the estate—for example, to facilitate financing arrangements or ensure the continuation of a business—may do so by making the express declaration provided for in Article 1892 GCC. By doing so, however, the heir thereby assumes **unlimited personal liability for the debts of the estate.**

IV. Situations Giving Rise to Personal Liability: Article 1895 GCC

The protection afforded by the new regime is not absolute. Article 1895 GCC lays down a number of exceptions designed to prevent the improper administration or depletion of the estate, under which the heir's liability extends to his or her personal assets.

1. Restrictions on Disposition Before Judicial Estate Administration

Before judicial estate administration is ordered, the heir is not entitled to dispose of assets belonging to the estate without prior judicial authorization, except where the disposition is made:

- for compelling reasons, such as protecting the life or health of the heir or the heir's close relatives;
- for the satisfaction of estate creditors; or
- for the preservation or maintenance of estate assets.

2. Consequences of Unauthorized Dispositions

If the heir disposes of estate property in breach of the foregoing prohibition:

- the heir becomes personally liable, with his or her own assets, for the obligations of the estate; and
- the disposition is unenforceable against the estate creditors, to the extent that it frustrates their ability to obtain satisfaction of their claims.

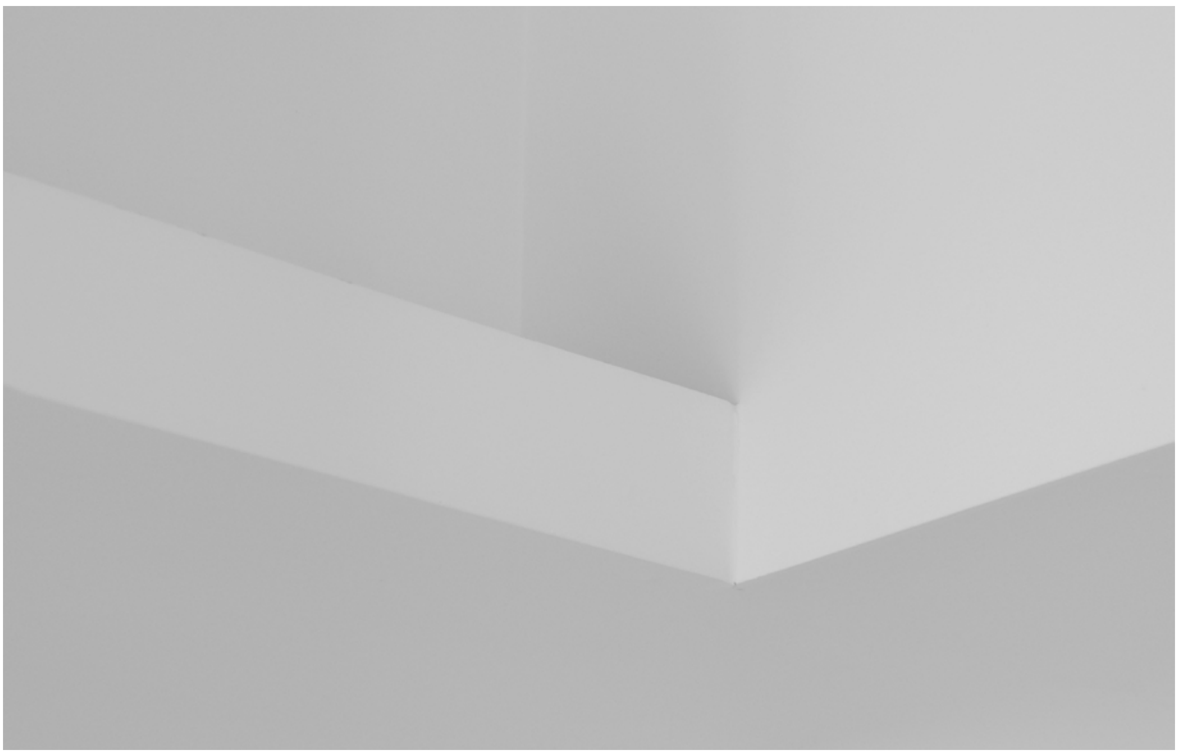
3. Reduction in the Value of the Estate

Where, through the heir's fault, the value of the estate is diminished, the claims of the estate's creditors may also be enforced against the heir's personal property (Article 1895(3) GCC).

The new regime therefore seeks to strike a careful balance between:

- protecting the heir by establishing, as the general rule, the absence of personal *(in personam)* liability; and
- preventing abusive depletion of the estate to the detriment of creditors through unjustified dispositions of estate assets or negligent administration.

Furthermore, **Article 1895(4) GCC** expressly provides that the deceased's creditors and compulsory heirs are to be satisfied **before** testamentary legacies, testamentary charges (modi), and gifts taking effect upon death. If this statutory order of priority is violated, the heir becomes personally liable to those creditors whose claims were improperly overlooked.



V. Judicial Estate Administration as the Principal Protective Mechanism

(Articles 1893–1903 GCC; Articles 814 et seq. Greek Code of Civil Procedure)

Judicial estate administration is not a new institution in Greek law. However, Law 5303/2026 significantly enhances both its role and its practical effectiveness.

Judicial administration may be requested at any time by **any person having a legitimate interest**, including:

- the heir;
- a creditor of the estate; or
- a personal creditor of the heir

(Article 1893 GCC; Article 814 of the Greek Code of Civil Procedure).

The estate is administered by a **court-appointed attorney-at-law acting as estate administrator** (Article 1896 GCC).

Once judicial administration has been ordered:

- the estate operates as a distinct patrimonial estate, legally separate from the heir's personal property (Article 1894 GCC);
- creditors are invited to lodge their claims within the prescribed statutory time limits (Articles 1897–1898 GCC);
- an inventory report is prepared and, where the estate's assets are insufficient, a schedule ranking creditors is drawn up (Articles 1898–1902 GCC);
- the proceeds of the administration are subsequently distributed in accordance with the statutory rules (Articles 1901–1903 GCC).

Judicial estate administration serves several important functions.

- First, it shields the heir from personal enforcement measures in respect of estate debts, provided that the conditions laid down in Articles 1892 and 1895 GCC are satisfied.
- Secondly, it enhances transparency by establishing the estate's assets and liabilities through a structured judicial procedure, thereby enabling the heir to ascertain the ultimate economic outcome of the succession.
- Thirdly, it is complemented by the revised procedural framework of Articles 814 et seq. GCCP, which streamlines objections to the inventory and the schedule of creditors, thereby reinforcing legal certainty and procedural efficiency.

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