

Commercial – Corporate

↳ **The deadline for submission of the financial statements for 2016, 2017 and 2018 to the Bank of Greece, which concerns legal entities preparing their annual financial statements according to the provisions of art.1 of L.4308/2014 expires on 15.01.2020 (extension of the original deadline ending 29.11.2019), under a relevant decision of the Governor of the Bank of Greece issued in late November 2019.**

↳ **By virtue of a ministerial decision issued in mid December 2019, the deadline for submission of investment plans related to the “Program for the support of Very Small and Small Enterprises under L.4399/2016” expires on 15.01.2020 (previous deadline extended: 16.12.2019).** Under this decision the auditing of these investment plans by chartered accountants is compulsory and the provisions of L.4449/2017 and the EU Regulation 537/2014 for the audit of financial statements, directly applicable to entities of public interest, apply in respect of this private investment program mutatis mutandis.

Tax Law Updates

↳ **By virtue of a decision issued in late November by the General Secretary of Information Systems in Public Administration, the suspension of operation of the Central Beneficial Owner Register (CBOR) for a period of time**

of forty (40) calendar days, commencing on 22.11.2019 and ending on 19.01.2020 has entered into force. Following the above suspension, the respective deadlines for registration concerning the specific categories of legal entities included in L.4577/2018 have been extended accordingly.

↳ **A new law on tax reforms (L.4646/2019) has been recently ratified by the Greek Parliament introducing tax- and investment-friendly measures applicable as of 01.01.2020.** Key provisions of this law are listed below:

- Reduction of the corporate income tax rate from 28% to 24% for the fiscal years 2019 onwards.
- Reduction of the dividend withholding tax from 10% to 5% for dividends paid out as of 01.01.2020.
- Tax exemption on capital gains arising from the disposal of participations in subsidiaries, which are tax resident of an EU member-state (conditional).
- Deductibility (conditional) of corporate social responsibility activities expenses (for employees and environmental protection) incurred as of 01.01.2020.
- Capitalization of tax free reserves as of 01.01.2020 with a reduced applicable tax rate (5% from 20%) and a reduction of the time period for which the capitalized amount

should be preserved to 5 years (from 10 years).

- Reduction of tax rates on employment income, as well as of the threshold of non-taxable income. The income between 0 and 10.000 Euro is taxed at a reduced rate of 9%, while incomes between 10.001 and 20.000 Euro are taxed at 22%.
- General 5-years limitation period in most cases of tax offenses except for the non-submission of tax returns (10-year limitation period) and other specific cases. Prolongation of the general limitation period, in case of a Mutual Agreement Procedure (MAP).
- The joint and several liability of directors for tax liabilities of the legal entity has been changed radically. Contrary to past regulation, directors shall be held liable at any time (not only upon dissolution of the legal entity) and for all taxes.
- A prerequisite for the liability of directors is that the tax obligation becomes due and payable during their term of office and that non discharge of the tax obligation can be attributed to the directors' malice or negligence. The burden of proof is borne by the directors.
- Capital gains tax on income deriving from the transfer of real estate is further suspended till 31.12.2022.
- The taxation of benefits in kind in the context of employment has seen some improvements. Most important among them are, probably, a new progressive tax scale for employee cars and the taxation of stock options granted to employees as capital gains (15%) as opposed to employment income (up to 44%), provided the stock is retained for a minimum of 24 months.

- Non taxation of interest earned on corporate bonds by foreign legal entities with no permanent establishment in Greece or foreign non-residents.

Civil Procedure Law Updates

L.4640/2019 on mandatory preliminary mediation in national and cross-border civil and commercial disputes apply as of the start of 2020. More specifically, the provisions on the mandatory preliminary mediation session apply gradually as follows:

- as of 15.01.2020, to lawsuits filed on or after such date, regarding family law disputes (matrimonial disputes and disputes arising in the context of parent-children relationships are excluded);
- as of 15.03.2020, to lawsuits filed on or after such date, before multi-member courts of first instance and single-member courts of first instance for claims exceeding the amount of 30.000,00 Euro.

It should be noted that **as of 30.11.2019**, the lawyer acting for the plaintiff is obliged to file together with the principal action against the defendant ***an informative document explaining the option of a mandatory mediation session and its procedure. In case of lack of filing of this informative document, the action is rejected as inadmissible.***

Energy Law Updates

↳ **Law 4643/03.12.2019 on the liberalization of the domestic energy market, the modernization of PPC, the privatization of PGC and the support of RES was ratified by the Greek Parliament and together with the public consultation of a new draft law on a National**

Plan for Energy and Climate and of a new draft law on a Long-Term Strategy for 2050 (both ended in mid-December) aim at the achievement of specific energy and climate goals for the energy transition up to 2030 (in accordance with EU laws), and even up to 2050 (for a transition to a climate neutrality).

Under the provisions of L.4643/2019, *inter alia*

- (i) a time schedule for the start of the operation of the energy markets pursuant to L.4425/2016 was introduced (art.1); and also,
- (ii) the relevant domestic legislation was harmonized with the EU Regulation 1227/2011 (REMIT) on energy market integrity and transparency (art.2).