

### Commercial - Corporate

**The draft law on corporate transformations was voted on 26.2.2019.** According to the provisions of the draft law, which is expected to enter into force as of 15.04.2019, mergers, divisions/spin-offs, conversions/transformation of all legal forms of undertakings shall be allowed. Under the current law corporate transformations between different types of legal entities were precluded. This is going to change under the new legal framework. Moreover the new law purports to homogenize the tax provisions facilitating transformations, which up to now were scattered in various pieces of legislation and will be repealed as of the entry into force of the new uniform and coherent legislation.

**Open consultation on the draft law for the harmonization of the Greek Trademark Law with the EU Directive 2015/2436 of the European Parliament and of the Council to approximate the laws of the Member States relating to trademarks, concluded on 01.02.2019.** The current Law on trademarks (L.4072/2012) will be repealed as of the entry into force of the new Law. Three major changes should be taken into account: (i) the definition of the term “trademark” is broadened to allow required adjustments to new technological developments; (ii) the administrative fees to be paid

for the registration, renewal etc. of a new trademark have increased; (iii) a Trademarks Administrative Commission with key functions in the administration of trademarks will be introduced.

**Changes in the Consumer Protection Legislation (L.4512/2018, art.100-112 and Ministerial Decision 5338/2018 (Gov. Gaz. 40/B/17-01-2018).** L.2251/94 was finally codified and uniform definitions of the terms “consumer” and “supplier” have been adopted. The obligations of the e-shops and other suppliers to fully inform the consumer prior to the execution of any relevant agreement have been strengthened.

### Investments and Financing

**Open public consultation (closing date: 23 January 2019) of the draft law “on micro-credits”.** Under the new legal framework, micro-credits (up to 25,000 EUR) - outside the banking system - can be granted to very small enterprises, independent professionals, new businesses etc. The granting of the micro-credit shall not be secured by a mortgage or similar surety or/and any other guarantee. The minimum duration of the micro-credit shall be 12 months whereas the maximum duration cannot exceed a period of 10 years. The minimum share capital of a micro-credit institutions

which will be licensed by the Bank of Greece shall be 200,000 EUR.

**Amendment of art.20 par.b lit.2 of L.4251/2014 (Immigration Code) regarding the procedure for the granting to a foreign investor of a permanent residence permit in Greece (golden visas).** According to the new supplementary provision, “the minimum price of the immovable property at the time of purchase, as well as the total rent amount in case of time-leases, as appearing in the relevant notarial deeds (sale or lease contracts), is specified at the amount of 250,000 EUR and is fully paid upon the execution and signing of the respective deed. The new provisions have entered into force retroactively as of 24.12.2018 and aim also at further strengthening the monitoring of the origin of monetary amounts transferred in such cases between bank accounts for the purpose of preventing money laundering by imposing payment of the contract price by wire transfer to, or by cheque deposited for collection through, a Greek bank.

### **Tax & Social Security Law Updates**

In its circular E2009/11.01.2019 I.A.R.P. has acknowledged that the Special Solidarity Levy which ranges from 2.2% to 10% and is imposed on the total income of individuals (including any tax exempt income) constitutes income tax. This is in line with a recent Decision of the Supreme Administrative Court (Counseil d’ Etat). Therefore the provisions of the Double Taxation Treaties that Greece has signed are applicable also on the imposition of the Special Solidarity Levy. In the past the tax authorities have taken a different view thereby imposing Special Solidarity Levy

on income which was exempt from Greek tax under the Bilateral Treaties (e.g. on capital gains realized in Greece from the sale of company shares).

**Prolongation of the limitation period in tax law cases.** According to a decision of the Administrative Court of Appeals in Athens (No.3932/2018) the five-year limitation period for the fiscal year 2008 can lawfully be prolonged up to one more year, under the provisions of art.3 par.5 of L.4141/2013 and art.87 of L.4316/2014, under the specific conditions stipulated in these provisions.

### **Anti-Money Laundering Developments**

A new format of E3 (tax form included in the income tax return documents to be filed with the competent tax office for the fiscal year 2018) has been announced by the I.A.P.R. Certain categories of professionals shall be obliged to declare in detail transactions performed and expenses paid within the fiscal year 2018. Aim of the I.A.P.R. Is the detection and further investigation and control of cases of business transactions, which raise suspicions for money laundering.

### **GDPR**

By its Decision 71/2018 the Hellenic Data Protection Authority (HDPA) has ruled that credit institutions which securitize their debt assets must notify the debtors concerned. Although the Decision has been issued following a complaint submitted in 2017 and therefore prior to the entering into force of the GDPR, its reasoning pertains also to the application of the latter. Notification must be effected either through individual

communication by post or through the press following permission by the HDPA in cases where the number of the debtors involved is high.

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