

Commercial – Corporate

By virtue of L.4557/2018 as recently amended by L.4607/2019 and a decision issued by the Ministry of Finance in mid June 2019, the Central Beneficial Owner Register (CBOR) has been set up and the process for the entering of data in the CBOR has been specified pursuant to art.20 & 21 of L.4557/2018 as currently in force

The main provisions of this Law and its implementing decision stipulate the following (i) the registration obligation should be completed before the end of the current year (2019); (ii) Any legal entity registered in Greece or conducting any business activity taxable in Greece (e.g. Greek branch of a foreign company) undertakes the obligation to collect and keep adequate, accurate and up-to-date information about their UBOs in a special register kept at their registered office; (iii) Listed companies are not subject to the aforementioned obligation, however they are obliged to keep a notifications' record under the L.3556/2007. On the contrary, the obligation of keeping a special register under L.4557/2018 applies to subsidiaries and any branches of domestic or foreign companies, owned and controlled by Greek or foreign listed companies (BOs); (iv) the entering of data in the CBOR shall be performed via the GSIS platform as follows: (a) Greek shipping companies (including those under L.959/1979) and Greek offices of foreign shipping companies established under L.27/75 (art.25) shall be the first to be registered under

L.4557/2018 within the period of time commencing on 16.09.2019 and ending on 14.10.2019, (b) legal entities incl. without limitation private companies, Greek branches of foreign companies, single-member SAs, joint ventures, foundations etc. shall be the second to be registered under L.4557/2018 within the period of time commencing on 30.09.2019 and ending on 01.11.2019, and (c) legal entities incl. without limitation SAs, LLCs, general partnerships etc., provided they do not fall into the categories (a) and (b) above shall be registered under L.4557/2018 within the period of time commencing on 14.10.2019 and ending on 29.11.2019; (v) Limited access to certain data of UBOs, such as full name, nationality, type and contact of rights, shall now be granted for a special fee to the public.

Latest Updates on the Extrajudicial Debt Settlement (EDS) Procedure of L.4469/2017: by virtue of a new Circular issued on 21.06.2019 amending the 2017 joint ministerial decision on the simplification of the EDS Procedure applying to debts not exceeding the amount of 50.000 Euro, **business debts from 20.000 to 300.000 Euro can now be settled under the favorable provisions of L.4469/2017 on EDS Procedure.**

Important provisions of the new Greek Criminal Code and Criminal Procedure Code adopted in June 2019 and entering into force on 01.07.2019, relevant for the commercial/corporate sector: In the limited scope of this newsletter it is worth noting that the new penal code makes the conditions for the prosecution of

breach of fiduciary duty (*απιστία*) stricter. Under the new provisions in order to be punishable the breach must result in damage, which is certain and not possible at the time of its commitment. The previous provisions were more expansionary in nature, thus constituting a Damocles sword, which often impeded business people in their decision making.

Tax & Social Security Law

By virtue of a circular providing clarifications on certain provisions of L.4611/2019 on “Settlement of debts to Social Security Bodies, Tax Administration and Local Authorities” (120-installments Debt Settlement Regulation), the 120-installments debt settlement rule applies only to debtors with a total taxable income of up to 10.000 Euro in the fiscal year 2017. In case of debtors with a total taxable income exceeding the aforementioned threshold amount in 2017, the total number of installments for the settlement of their debts is specified by the Tax Administration on the basis of each debtor’s total taxable income, as per a predetermined formula. The deadline for the filing of debt settlement applications under this law was extended up to 30.09.2019.

The I.A.P.R. has adopted (Circ.2110/19) the legal opinion no.54/2019 issued by the Legal Counsel of the State regarding the exemption from the tax on the transfer of real estate property in case of contribution of immovable property in a Real Estate Investment Company SA under formation, for the purpose of coverage of part of its share capital, pursuant to art.31(1) L.2778/1999. The tax exemption applies provided that the immovable property contributed will be used in respect of the business activities of the company and not for its organizational and operational needs.

By virtue of L.4618/2019, the provision of L.4472/2017 about the reduction of the income tax exempt threshold as of 01.01.2020 is repealed. Pursuant to the new law, provisions of L.4472/2017 which were to be applied as of 01.01.2020, regarding the reduction of the income tax depending on certain family conditions, the reduced special solidarity levy on income of up to 30.000 Euro, the reduction of the introductory income tax rate from 22% to 20% and the reduction of the property tax by up to 70 Euro, were also repealed.

By virtue of a recently issued circular, changes in capital and property taxation provided by L.4612/2019 were communicated: Upon ratification of the works concession contract for the construction, funding, operation, maintenance and exploitation of the New International Airport in Heraklion-Crete and its entry into force as a law (L.4612/2019), it is stipulated that **any kind of contracts assigning rights or transferring obligations** provided in specified loan contracts included in the works concession contract above, which (**assignment contracts**) are signed **between the Lenders** referred to in the aforementioned loan contracts, **are fully tax exempt.** Further, the **“International Airport of Heraklion-Crete Concession S.A.”** is not - as of 23.05.2019 - subject to any property tax obligation under the applicable L.4223/2013 or any other law in force as regards to the immovable property within the territory of the International Airport of Heraklion-Crete and its Commercial Zone.

Employment Law

By a ministerial decision issued upon application of art.51 of L.4611/2019 (to-be-in-force as of 01/07/2019), it was stipulated that the employers are obliged to pay the compensations due to employees in case of termination of

their contracts in the private sector by wiring them to each employee's bank account or payments account.

In respect of the application of art.48 of L.4611/2019 (to-be-in-force as of 01/07/2019) the Ministry of Labour decided to upgrade the functions of the electronic system "ERGANI" by uploading the new Form-E6-"Termination of an employment contract concluded for an indefinite term (with or without previous notice)." According to the new addendum in the relevant field the termination cause of an employment contract concluded for an indefinite term should be mentioned; this cause shall be

selected from a list of three (3) alternative termination options/causes: (i) capabilities and skills of the employee in the performance of his work; (ii) employee's attitude and behavior; (iii) operational demands of the undertaking. In the new Form-E6 (see above), one of the aforementioned termination causes must be selected.
