

Commercial – Corporate

The law on corporate transformations has been published in the Government Gazette on 09.03.2019 (L.4601/2019). For the first time, the new law allows mergers, divisions/spin-offs, conversions/transformation by and between all legal forms of undertakings, provided that the relevant decision (about the transformation) has been made after the entry into force of the new law on 15.04.2019. According to a new provision of L.4601/2019, with the notable exception of *societe anonymes* and limited liability companies, the drafts of the merger, spin-off and corporate transformation contracts in general may be duly executed as a private document and countersigned not only by a notary public or an authorized public servant, but also by an attorney-at-law. A major deficiency of the new law (L.4601/2019) is the non-inclusion of tax incentives facilitating transformations in a comprehensive manner; existing incentives do not extend to all types of transformations and are provided in scattered pieces of legislation (e.g. L.1297/72, L.2166/1993, L.4172/13), still in force. It is expected that this deficiency will be remedied through the issue of a separate tax law, regulating the issue.

The draft law on the harmonization of Greek law with Directive 2016/943 of the European Parliament and of the Council of 8/6/16 on the protection of undisclosed know-how and business

information (trade secrets) against their unlawful acquisition, use and disclosure was submitted for debate in the Greek Parliament on 07.03.2019. The new provisions aim at the strengthening of the substantive and procedural law for the protection of undisclosed know-how and trade secrets.

The members of the European Parliament in a plenary session have voted in February 2019 in favor of new rules which will force banks to slash fees on cross-border euro payments between EU countries that are in the euro zone and those that are not.

Investments and Financing

Open consultation on the draft law for the establishment of the “National Development Bank” (NDB) concluded on 08.03.2019. Under the proposed legal framework, main purpose of the (Greek) National Development Bank shall be the indirect financing through the existing network of commercial banks, acting as intermediaries and the coordination of all available financial tools. NDB’s role shall be complementary to the role of the banking sector, contributing to the institutional upgrading of the national economic planning and to the preparation and implementation of complex development programs with the collaboration of the government, the private sector

and the local administrative authorities. The majority shareholder of NDB (50%+1 share) shall be the State.

Tax & Social Security Law Updates

- By an amendment in a draft law submitted in the Greek Parliament by the Ministry of Culture & Sports in March 2019, the withholding tax rate on the dividend income received by natural persons and legal entities, **is reduced from 15% to 10% for the fiscal year 2019 onwards**. The withholding tax exhausts the tax obligation for individuals. The new tax amendment purports to provide an investment incentive.
- By the circular E2028/2019 the I.A.P.R. provides clarification on the application of the provisions of article 42 of L.4172/2013 on the establishment or transfer of usufruct rights on shares for consideration. Under art.42 of L.4172/2013 any capital gains realized on the occasion of transfer of securities, titles or an entire business for is subject to income tax. However, this provision (art.42) does not apply in the event of set-up (or transfer) of a usufruct right on shares for consideration.
- By a circular issued by the Ministry of Labor on 19/02/2019 the members of General Partnerships, Limited Partnerships and Limited Liability Companies, who at the same time serve as managers and receive a remuneration (fee) because of their membership in the relevant company, are subject to reduced social security contributions as they are exempted from paying contributions in favor of national employment agencies, social and workers housing organizations etc., provided that the exercise of their managerial tasks cannot be

considered as an obligation arising out of an employment relationship.

GDPR

The final draft of a National (Greek) GDPR Implementation Law has not yet submitted for debate in the Greek parliament, as a result of a number of delays due to changes to the members of the competent law-making committee.