

Commercial – Corporate

↳ **New Obligation of undertakings operating in Greece to submit their financial statements to the Bank of Greece.**

Under a special Act issued by the Governor of the Bank of Greece this obligation together with an obligation for uploading of the financial statements via the application: <https://iris.bankofgreece.gr> is introduced mainly for statistical information purposes. It concerns legal entities which prepare their annual financial statements according to the provisions of art.1 of L.4308/2014. The Act imposes an obligation *to initially submit their financial statements for 2016, 2017 and 2018 by the end of November 2019*. Non-compliance with the provisions of the Act may result in a fine imposed pursuant to art.55C of the Statute of the BoG amounting to a maximum sum of €293.470,00. It should be noted that the procedure for the collection of the aforementioned financial statements and data is subject to rules for the protection and use of confidential information under article 8 of the Regulation (EC) No.2533/1998.

↳ **The new provisions on the operation of the General Commercial Register (G.C.R. [GEMI]) were incorporated in L.4635/30.10.2019 (Art.85-116).** The basic changes concern the automated registration and publication of deeds; information and records executed and issued by persons and entities liable for registration in the G.C.R., with the

exception of deeds and records provided by L.4601/2019 on Corporate Transformations (art.102); the obligation of the G.C.R. to register the incoming deeds within 21 days commencing from the date of their electronic filing. In case of failure of registration within the above deadline without reasonable justification, the person or entity affected may file an appeal against the G.C.R. before the competent Court of First Instance (art.103 & 110); the introduction of a new certificate of good standing issued for all undertakings registered in the G.C.R., provided they have not been dissolved and liquidated or declared bankrupt and they have complied with all obligations imposed by the law on the operation of the G.C.R.. The certificate shall be valid for two years (art.111); the increase in the maximum amount of pecuniary fines to €10.000,00, in cases of breach of the obligations for registration provided by the new G.C.R. provisions (art.114).

↳ **An economic development law entitled “Invest in Greece” has been approved by the Hellenic Parliament and published in the Government Gazette on 30.10.2019 (L.4635/2019).** The new development law introduces extensive amendments in the economic environment, mainly by simplifying investment procedures, particularly regarding regulations on the environment, urban planning and land use planning, aiming to reduce red tape and speed up procedures for building and investment. It also introduces changes to

the labour and employment legislation, specified in detail below (see “*Employment Law Updates*”).

↳ **L.4635/2019 has introduced major changes in the field of Public-Private Partnerships («ΣΔΙΤ»)**. More specifically, (i) under art.83.1 of this law a new provision was added to art.17 of L.3389/2005, according to which the Private and Public Entities are obliged to send to the General Secretariat of PPP every two (2) months a report about the progress of each PPP project. By virtue of a decision of the General Secretary of PPP a three-member committee for the monitoring of the implementation progress of each project is established; members of this committee are a representative of the General Secretariat of PPP, a representative of the Public and of the Private Entity contractually bound in a PPP project; (ii) under art.83.2 the deadlines provided by law for the competent Archaeological Office to recommend ways for the continuance of the project works, in case antiques are found during construction works are shortened and the Special Purpose Entity is entitled to claim damages incurred due to the unlawful and unjustified delay of the Office (new art.21 of L.3389/2005); (iii) the expropriation of properties required for the purpose of implementation of the PPP project works must obviously serve the public interest and are considered as extremely urgent and of major importance. The expropriation is declared by virtue of a joint decision of the Minister of Development and Investments and the competent Minister on a case-by-case basis (new art.23 par.1a' & c' of L.3389/2005).

↳ **By virtue of a ministerial decision issued in late October 2019, the deadline for submission of investment proposals in response to the “Call of a program for the support of Very**

Small and Small Enterprises under L.4399/2016” expires on 16.12.2019.

↳ **A public consultation of a new draft law on “Regulation of Urgent Matters due to BREXIT” has ended on 01.11.2019.** Article 7 of this draft law provides for the operation in Greece of financial institutions registered in the UK, incorporated and organized pursuant to art.4.27a&b of the Regulation 575/2013, and insurance companies with registered seat in the UK, in case of a no-deal Brexit. These legal entities can continue to provide services and do business with existing clients based or taxed in Greece until 31.12.2020. It should be noted that the provision of new services or the exercise of new business activities offered to new or existing clients of the aforementioned UK entities is explicitly prohibited.

Tax Law Updates

↳ **Extension of the deadlines within which the obligated legal entities must register the data of their beneficial owners in the Central Beneficial Owner Register (CBOR) via the GSIS platform.** (a) Greek shipping companies (including those under L.959/1979) and Greek offices of foreign shipping companies established under L.27/75 (art.25) should be registered under L.4557/2018 within the period of time commencing on 16.09.2019 and ending on 25.11.2019; (b) legal entities incl. private companies, Greek branches of foreign companies, single-member SAs, joint ventures, foundations etc. should be registered under L.4557/2018 within the period of time commencing on 30.09.2019 and ending on 28.11.2019; and (c) legal entities incl. SAs, LLCs, general partnerships etc., provided they do not fall into the categories (a) and (b) above should be registered under L.4557/2018 within the period of time

commencing on 14.10.2019 and ending on 12.12.2019.

↳ **Public consultation of a new draft law on “Tax Reforms” until 15.11.2019.** This draft law aims mostly at the introduction of tax reductions applicable as of 01.01.2020 and investment-friendly measures. The most significant provisions are, indicatively, as follows:

*□ Reduction of the corporate income tax rate from 28% to 24% for 2019.

*□ Reduction of the dividend withholding tax from 10% to 5% as of 01.01.2020.

*□ Advance income tax payment of legal entities shall be calculated to 95% of the amount of advance income tax payment for the fiscal year 2018.

*□ New participation exemption regime to be introduced on capital gains (conditional).

*□ Special real estate tax exemptions for Alternative Investment Funds to be introduced.

*□ Deductibility (conditional) of corporate social responsibility expenses.

*□ Income tax exemption for interest on specific categories of listed corporate bonds.

*□ 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 specified cases. Prolongation of the general limitation period, in case of a Mutual Agreement Procedure (MAP).

Employment Law Updates

L.4635/2019 entitled “Invest in Greece” introduces changes in employment law and labour relations. Under the new provisions (i)an electronic “Register of Offenders for Undeclared Work” is established, in which the undertak-

ings-employers (natural persons and legal entities) sanctioned for hiring individuals without officially declaring their employment shall be registered. The fine for undeclared work amounts to €10.500,00 per employee, unless the employer hires the undeclared employee under a full-time employment contract with a minimum duration of twelve (12) months, in which case the fine is reduced to €2.000,00; (ii)specific measures for the protection of part-time employees are adopted: (a) part-time employees who work overtime are paid an additional 12% on his/her agreed remuneration for each additional working hour, (b) part-time employees enjoy the same working conditions with the full-time employee in the same job, and have a right of priority - in case there is a vacancy in the same undertaking/employer - for being hired in a full-time job position; (iii)employers are now obliged to notify through ERGANI all personnel, including those paid via “labour coupon” (ergosimo) and freelancers provided they offer their services to up to two employers; (iv)any delay in the payment of salary exceeding two (2) months, irrespective of reason, is deemed as unilateral adverse modification of the employment terms. In such case, the employee is entitled to consider the modification as dismissal and claim severance indemnity; (v)the National General Collective Labour Agreement expired on 30.06.2019 is extended retroactively until the execution of a new NGCLA and in any case not beyond 31.12.2019.

Energy Law Updates

A public consultation of a new draft law on the liberalization of the domestic energy market, the modernization of PPC, the privatization of PGC and the support of RES has ended on 11.11.2019. According to the new provisions regarding RES, the installation of RES stations of an installed generation capacity between 21 and 1 MW on land plots characterized as highly productive farmland, even within Attica Prefecture is now approved; the installation of PV systems on the aforementioned land plots is also provided by the new legislation; rules for the control and preservation of cultivated land in each regional unit are legislated; RES investments, which are not financed or supported by the State, are allowed to conclude contracts in order to sell the RES generated electricity in the market, without being subject to any support framework. Aim of the new law shall be the increase of the penetration of the RES generation in the energy mix at a 35% on the total mixed energy consumption. This means that it is intended in the short term that the domestic generation of electricity should originate at least 60% from RES stations.