



A.S. PAPADIMITRIOU

& PARTNERS  
LAW FIRM

# **INVESTING IN GREECE**

## **The legal perspective**

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## TYPES OF COMPANIES

- ▶ Companies limited by shares(S.A.)
- ▶ Limited liability companies
- ▶ Partnerships (unlimited liability)
  
- ▶ Foreign limited companies: Establish a branch following submission of an application to the Ministry of Development
  
- ▶ Companies supervised by Ministry of Development



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## SETTING UP A COMPANY LIMITED BY SHARES

### New Legal Framework:

New Law 3604/07 Modified company law 2190/1920 on companies limited by shares:

- ▶ Less bureaucratic
- ▶ More flexible and attractive legal framework

### Requirements-Procedure:

- ▶ One or more founders (in case of one founder, his/hers details should be published, a notary should sign the minutes of the GMS)
- ▶ Minimum share capital: 60.000 € (except as provided by the law, as for example banks)
- ▶ Execution of articles of incorporation before a notary.
- ▶ Approval of incorporation by the Prefecture (for companies having a share capital under 3m € approval not required)
- ▶ Publications



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## SHAREHOLDERS' MEETINGS

- ▶ Place:
  - At the seat of the company or at a place within the same or nearby municipality.
  - Listed companies: anywhere in Athens
  - Anywhere in Greece or abroad, as long as this is permitted by the Articles
- ▶ Participation: Teleconference and e-voting permitted under certain requirements.
- ▶ Quorum:
  - 1/5
  - 2/3 required in special cases such as share capital increase or decrease, merger, dissolution of the company etc.
- ▶ Majority:
  - Absolute
  - 2/3 in special cases (same as above).



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## BOARD OF DIRECTORS

### Members:

- At least 3 (persons or legal entities)
- All directors should have a Greek Tax Registration Number
- The Articles may provide that a shareholder has the right to appoint member(s) to the Board (no more than 1/3)

Place: At the seat of the company, unless if otherwise permitted by the Articles

Participation: Teleconference allowed

Quorum:  $\frac{1}{2} + 1$  member

Majority: Absolute, unless increased majority provided by the Articles or the Law.



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## **PARTICIPATION AS A MAJORITY SHAREHOLDER**

- ▶ Squeeze out right in case of participation of more than 95% (within 5 years from acquisition of participation)
- ▶ SHA with additional protection (drag along rights etc.)





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## **PARTICIPATION AS A MINORITY SHAREHOLDER**

- ▶ Minimum protection provided by the law for minority shareholders representing at least 1/20 of share capital.
- ▶ Sell out right in case there is a shareholder of more than 95%
- ▶ Right to sell out participation to the company in certain cases that may harm the minority shareholder's interests
- ▶ SHA may provide additional protection (representation and veto rights, restrictions on transfer of shares, tag-along right etc.)



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## TAX CONSIDERATIONS

### INVESTING IN PRIVATE EQUITY

- ▶ “Permanent establishment in Greece”  
Corporate tax: taxable profits before distribution with 25%
- ▶ Dividend tax: 10%
- ▶ Business income: remuneration paid to members to BoD subject to 35% if not insured with IKA
- ▶ Double taxation treaty between Greece-U.S.

### INVESTING IN REAL ESTATE

- ▶ Special tax 3% (offshore companies)
- ▶ Income tax (lease & sale)
- ▶ Real Estate Tax (0,1% annually on the objective value of the estate)





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