

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



SETTING UP A COMPANY LIMITED BY SHARES

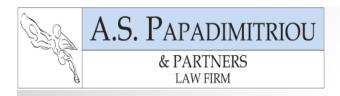
New Legal Framework:

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

- Less bureaucratic
- More flexible and attractive legal framework

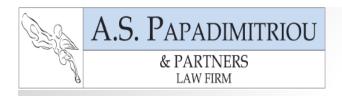
Requirements-Procedure:

- 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**



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
- <u>Participation</u>: Teleconference and e-voting permitted under certain requirements.
- <u>Quorum</u>: 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).



BOARD OF DIRECTORS

Members:

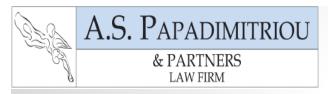
- At least 3 (persons or legal entities)
- All directors should have a Greek Tax Registration Number
- The Articles may provide that a shareholder has the right to appoint member(s) to the Board (no more than 1/3)

<u>Place:</u> At the seat of the company, unless if otherwise permitted by the Articles

Participation: Teleconference allowed

Quorum: ½+ 1 member

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



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.)



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.)



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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