
*International Tax, Audit, Accounting and Legal
News*

Newsletter



June 2018



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1. Law 4541/2018 for the “Amendment of Corporate Law 3190/1955 on Limited Liability Companies and other provisions”



The law that was recently voted introduces significant amendments in the Corporate Law 3190/1955 regarding the Limited Liability Companies and it also provides changes as to the trade name for other corporate forms. The amendments are applicable since the 31st of May 2018 onwards. The most important statements are referred below.

•Trade Name and Capital

Regarding the trade name of a Limited Liability Company, it can be formed based on the names of the partners and company business activity or other verbal indications, and furthermore it can contain partly or entirely with Latin characters.

The nominal value of the company's shares is at least EUR 1 and is equal to all of the company's shares.

•Incorporation

The contract of an L.L.C. is drawn up in addition to a notarial act also with a private agreement according to Law 4421/2016. This contract will indicate the duration of the company which must be specific. As to the L.L.C.s which already have been set as indefinite, are due to expire on 31/12/2021, unless their statutes are amended.

The L.L.C. acquires legal personality by registering at the General Commercial Registry (G.C.R.) according to the law 3419/2005.

•Administrators and Partners

There is the possibility of judicial dismissal of the administrator with a minority request of 1/10.

Changes in the corporate agreement require a majority of the assembly which represents at least 65% of the share capital. There are cases in which the new text of the corporate agreement is drawn up by the trustee by a notarial deed without a decision of a meeting of the partners.

The principle of the company's free exit is established by a declaration to the manager. In such a case, the company's share of the one who is leaving is bought off by a person designated by the company either in the value of the parties' agreement or in the one designated by the competent single judge.

•Establishment of branches and agencies

The establishment of a branch or agency of a foreign L.L.C. of an EU Member State or a country of EEA, is made through a registration at the G.C.R. by submitting the required documents.

•Other provisions for the L.L.C. and Private Companies

The reduced stamp duty rate is abolished, an application which referred to the S.A.s and the L.L.C.s. This implies the non application of such a rate also for the Private Companies.

Regarding the trade name of a Private Company, it can be formed based on the names of the partners and company business activity or other verbal indications, and furthermore it can contain partly or entirely with Latin characters. Also, the possibility of imaginary trade name is abolished.

2. Tax Transparency Disclosure Requirements for Intermediaries

Recent scandals show that intermediaries (accountants, lawyers, banks etc.) play a major role in helping big companies and high net worth individuals escape their fair tax share into EU. The culture of secrecy behind those tax schemes forced the EU Commission to propose a new EU Directive for the mandatory disclosure for intermediaries which will be endorsed as a tool of the EU to fight tax avoidance and aggressive tax planning as well as enhancing the tax transparency.

As it is stated on EC release, tax intermediaries who provide their clients with complex cross-border financial schemes that could help avoid tax will be obliged to report these structures to their tax authorities. In turn, EU Member States will exchange this information with each other, further increasing scrutiny around the activities of tax planners and advisers.

Cross-border tax planning schemes can bear certain characteristics – or 'hallmarks' - that indicate a risk of tax avoidance or evasion. Such hallmarks can include the use of cross-border losses to reduce tax liability, the use of special preferential tax regimes, or arrangements through countries that do not meet international good governance standards. Intermediaries that design or provide schemes bearing any one of these key hallmarks will now have to report these schemes to the tax authorities before they are used.

Member States will automatically exchange the information that they receive on the tax planning schemes through a centralized database, giving them early warning on new risks of avoidance and enabling them to take measures to block harmful arrangements and carry out audits more

effectively. The requirement to report a scheme does not necessarily imply that it is harmful, only that it merits scrutiny by the tax authorities. But Member States have also agreed to implement effective and dissuasive penalties for those companies that do not comply with the transparency measures, creating a powerful new deterrent for those that encourage or facilitate tax abuse.

All Member States should comply with the Directive by 31st December of 2019 the latest.

3. Amendments to the Greek Bankruptcy code

New inputs and amendments regarding the Bankruptcy Code were published by the Independent Authority of Public Revenues (AADE). This refers to the despising of bankruptcy and the provision of second chance to debtors -individuals- who have been bankrupted without being charged with bad and non-reliable behavior.

In particular, there is a possibility of a second chance to debtors-individuals who due to the lack of bankruptcy estate may not bankrupt and remain to a continuous abeyance both themselves and the third parties who have business relationships with them.

The aim of this amendment is to reactivate those entrepreneurs who, despite their honest efforts, failed to escape the "trading death".

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