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LAW 4403/2016 & 4410/2016: Corporate & Tax Issues.

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A. INTRODUCTION

Published in the Official Government Gazette A'125/07.07.2016 the Law 4403/2016, which, inter alia, concerning the adaptation of Greek legislation to the provisions of Directives 2013/34 / EU and 2014/95 / EU, introduces the adjustment of Greek legislation to European rules governing the form and the content of annual financial statements and management reports.

The purpose of these Guidelines is to coordinate national provisions of the Member-states, as regards the rules governing the form and content of annual financial statements and management reports, the measurement bases used, and the disclosure of these documents, data which are of particular importance for the protection of shareholders, members and third parties.

Anonymous company, limited liability company, private limited company and partnerships - if the partner having unlimited liability is a capital company, fall within the scope of these Guidelines. Law 4403/2016 brings about a series of amendments to the provisions of Law 2190/1920 on anonymous companies, Law 3190/1955 for limited liability companies and Law 4072/2012 for the private capital companies.

These instructions shall be governed by the principle of "Think Small First", which recognizes the need to alleviate the administrative burden and simplifying the procedures as a key factor strengthening entrepreneurship.

GENERAL MEETINGS & FINANCIAL STATEMENTS

The deadlines for the convocation of the Annual General Meetings of SA Companies and the Annual Meetings of

Limited Liability Companies and Private Capital Companies are amended. Accordingly, the time frame associated with the submittal and the publication of required corporate documents, as Annual Financial Statements, to the General Commercial Registry Office or the Company's Website are altered (in each case are depended on the date of the convocation of the General Meeting).

Specially:

For the accounting year ended on 31 December 2015:

The time of the convocation of the Annual General Meeting of Shareholders for SA companies and the General Meeting of Partners for EPE and IKE companies expires within two (2) months from the expiry of the deadline for the filling of the companies income tax returns.

For the post-date accounting years:

The Annual General Meeting of Shareholders for SA Companies and the General Meeting of Partners for EPE and IKE Companies are convened by the tenth day of the ninth month following the year end.

The Capital Companies (SA, EPE, IKE) and the Partnerships where all direct or indirect partners are of limited liability are commanded to publish to the General Commercial Registry Office:

The approved annual Financial Statements following their approval of the Annual General Meeting of Shareholders/Annual Meeting of Partners. (The compulsory disclosure of the publication of pre-approved financial statements is abolished.)

The Administration Report.(Very small SA Companies, except for the ones qualifying as public interest entities in accordance with Law 4308/2014, are exempted from this obligation).

The Report of the Statutory Auditor, where required.

Within twenty days from their approval by the Annual General Meeting.

CORPORATE GOVERNANCE DECLARATION

SA Companies, EPE Companies with listed securities and Partnerships where all direct or indirect partners are of limited liability have to include a Corporate Governance Declaration as a special part of the Administration Report. This information can be included in a separate report which is published together with the Administration Report OR in a document available to the public through the Company's website which must also refer to the Administration Report.

Moreover, Corporate Governance Declaration for large SA Companies should -inter alia- include the description of the diversity policy implemented for the management, administrative and supervisory bodies regarding age, gender, or educational and professional background of members, the objectives of the policy on diversity, the way in which applied and results during the reporting period. If such kind of policy is not applied, the Declaration contains a specific justification of non-application. The members of the Board of Directors and of supervisory bodies of SA Companies are collectively responsible towards the company for the compliance with the above obligation.

ADMINISTRATION REPORT OF BOARD OF DIRECTORS

Under the new framework the content of the Administrative Report may vary according to the Company size.

Very small SA Companies, except for the ones qualifying as public interest entities in accordance with Law 4308/2014, are exempted from the obligation to prepare an Administrative Report on the condition that certain information relating to the acquisition by the company of its shares are included in the Notes to the Financial Statements or the Balance Sheet.

The content of the new Article 43a applies both to EPE Companies and IKE Companies and also to partnerships, when all direct or indirect partners are of limited liability.

OTHER AMENDMENTS

Moreover, a new extension -until September 2016- is given for the court settlement of small business debts to banks, tax authorities and social security funds (Article 60 of Law 4307/2014, known as "Law Dendias").

In Chapter II of the Law 4403, corrective measures pursued in Law 4314/2014 (A 265), which constitutes the basic institutional management tool, monitoring and implementation of the NSRF development interventions for the programming period 2014-2020.

In Chapter III, the provisions relating to Law 3982/2011 and specifically to simplification and modernization of technical professional licensing and manufacturing activities, as well as the development of Business Parks are amended and primarily intended to smooth transition from the old to the new institutional framework with simultaneous simplification of the procedures for developing the business environment

In Chapter IV, Law 2251/1994 referring to consumer protection is altered and is established the obligation for suppliers

compulsorily enrolled in the General Commercial Register and intend to conclude distance contracts with consumers to provide the relative activity.

Finally, the proposed rules of Chapter V pursue individual improvement interventions in the exercise of Tourism and operation of tourism facilities.

B. INTRODUCTION

By the vote of Law 4410/2016 on 3 August 2016, the National Customs Code was amended in order to contribute to the fight against illegal tobacco Marketing and harmonize the Greek legislation with the EU Council Decision 2009/917/JHA of 30 November 2009 concerning the use of information technology for customs purposes and the EU Directive 2014/40 of April 3, 2014 on the approximation of laws, regulations and administrative provisions of Member -States concerning the manufacture, presentation and sale of tobacco products and related products and repealing Council Directive 2001/37/EC and other provisions.

BASIC POINTS

Article 40 of the new law 4410/2016 provides amendments to the Tax Code of Procedure (law 4174/2013). Fines are not imposed for the submitting of Declaration about changes on personal information of people (for example the wedding date, or the death date etc.) which the taxpayer has to declare in order to make transactions with the Tax Authority.

In addition, the deadline is defined in 30 days instead of 10 in which the tax payer is required to declare to the Tax Administration the changes in information that were denoted during the registration.

Article 42 provides that the details of the total arrears to the State from any cause and insurance debts to Social Security Institutions are published in the website of the General Secretariat of the Ministry of Finance if the debt exceeds the amount of 150,000 € (for every natural or legal person or legal entity) and its payment is delayed for more than a year.

Article 51 provides amendments to Article 58A of Law. 4174/2013. Specifically states that if no tax asset or issue or making inaccurate constituent act burdened with VAT, is fined fifty percent (50%) of the tax that would result from the unissued element or the variance, respectively. The penalty may not be less, cumulative per tax audit, than 250€, if the taxpayer is obliged to maintenance cash books accounting system and 500 €, if the taxpayer is obliged to maintenance double entry books.

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About Ecovis services:

Ecovis is a leading global consulting firm with its origins in Europe. It has over 4,500 people operating in over 50 countries. Its consulting focus and core competencies lie in the areas of tax consultation, auditing and accounting, legal advice and management consulting services.

Ecovis Hellas brings a surprising range of focus, experience and professional expertise. We are comfortable dealing with the needs of inbound Multinational Groups and Listed Companies as well as fast growing, entrepreneurial businesses. We deliver what we say we will, within agreed deadlines and agreed fee arrangements. We provide services in the fields of:

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- High Net-worth Individuals & Private Clients
- International Tax Planning
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