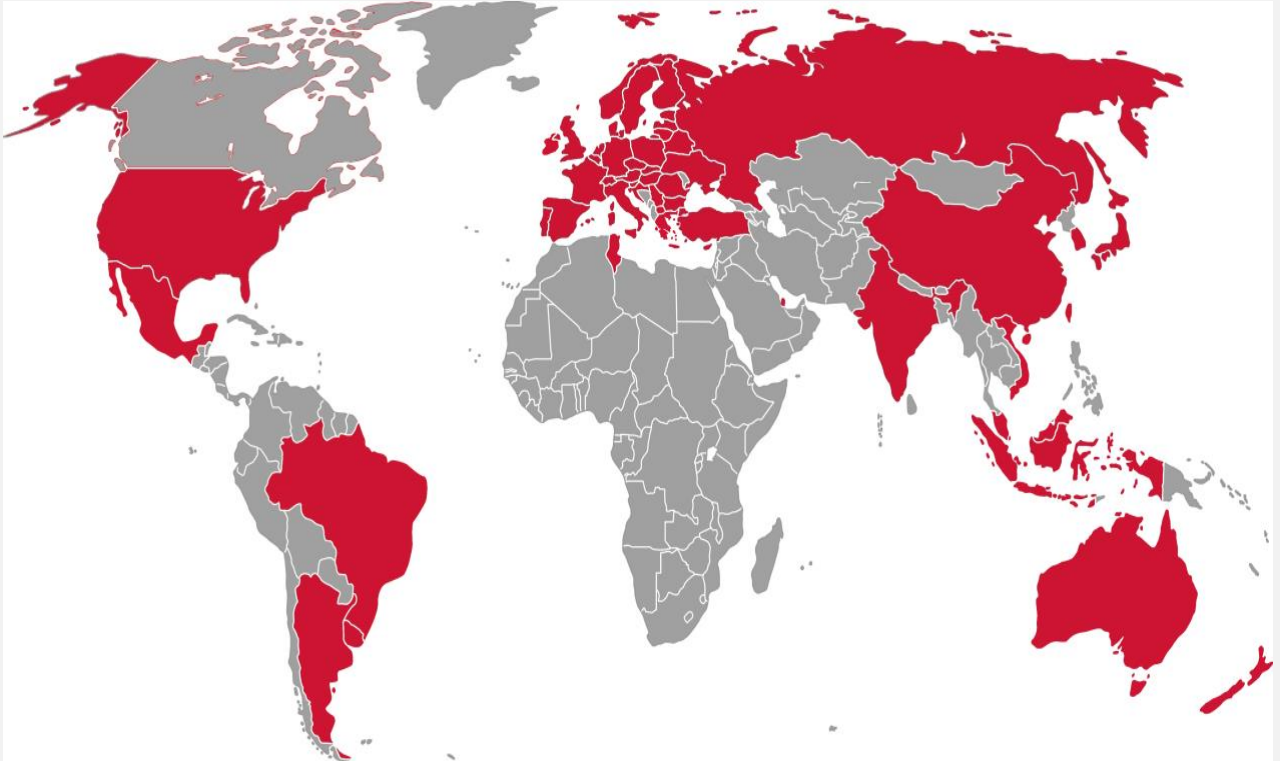


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**1. Amendments & Simplification of companies' establishment procedures introduced by Law 4441/2016.**

**2. Tax Amendments introduced by Law 4438/2016.**

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## ***Amendments & Simplification of companies' establishment procedures introduced by Law 4441/2016.***

Published in the Official Government Gazette A'227/06.12.2016 Law 4441/2016, which, inter alia, concerning the Simplification of the Procedures for the Establishment of Companies, Waiver of Regulatory Obstacles to Competition and other provisions, introduces significant amendments reducing both the time and the costs involved in the establishment of companies. The most important changes are summarized as follows:

- Anonymous Companies (S.A Companies) as well as Limited Liability Companies can now be established by virtue of a private agreement, contrary to the previous regime which provided for the establishment of the above mentioned companies only by virtue of a notary deed before the Notary Public, acting as One Stop Shop. Nevertheless, this applies provided that no changes are made to the specimen Articles of Association, as to be set out in a Ministerial Decision, otherwise the establishment has to go through a Notary. In case that the establishment takes place with a private agreement, then the procedure is effected by the General Commercial Registry, acting as One Stop Authority.
- A new Ministerial Decision will be issued within a month from the publication of Law 4441/2016 providing a new specimen Articles of Association for all legal entities. The current Ministerial Decision will continue to apply until the issuance of the new one.
- A company can now be established through an e-One Stop Shop, from distance. In this case, the registration fee is set to 30% of the amount applying in case of non from distance establishment. Companies to be established through the e-One Stop Authority during the first year from the entry of the law into effect are explicitly exempted from the payment of the above fee.

- Set out to simplify the establishment procedure, published Law comes to abolish the tax clearance certificate of the founders, for the corporate forms for which such certificate was provided, and onwards the company's electronic (TAXISNET) password will be issued by the One Stop Authority which will proceed with the registration of the established company with the social security authorities as required by the applicable Greek legislation.
- Contrary to the previous framework, a general partnership can now be converted to a limited partnership by the entry of a new limited partner or by conversion of one or more general partner(s) to a limited partner. However, in the last case, the joint liability of the general partner converted to a limited partner continues to apply for a period of five years from the partnership's conversion, for any corporate obligations having arisen until the registration of the conversion with the General Commercial Registry, unless the partnership's creditors have consented in writing to the conversion.

## ***Important tax amendments introduced by Law 4438/2016.***

Published in the Official Government Gazette A 220/28.11.2016 Law 4438/2016 introduces tax amendments on "Harmonization of legislation with Directive 2014/17/EU of the European Parliament and other provisions of the Ministry of Finance". The most significant changes are summarized as follows:

### **Income Tax Code (ITC)**

- Articles 53 (securities' exchange) and 54 (mergers and spin offs) of Income Tax Code (ITC) are amended and certain conditions are imposed by tax authorities in order to prevent the abuse of these provisions concerning the exchange of securities, mergers and spin offs.
- Tax incentives are introduced for enterprises' transformation and in particular tax exemptions are broadened, including any tax, other charges, duties and contributions,

except for capital concentration tax. However, the above mentioned broadening of exception does not affect the rules of VAT application and Income Tax regulations, respectively.

- The introduction of such exemptions provides a comprehensive framework of incentives for transformation in Greece. This new framework applies for enterprises' transformation that are carried out after the publication of Law. Following the publication of the Law, corporate transformations will no longer be able to concurrently fall under the provisions of both the ITC and other incentive Laws (L. 1297/1972 and L. 2166/1993).

### **Tax Procedures Code (TPC)**

- Aimed to harmonize TPC with DTT's and the European Arbitration Convention as ratified by Law 2216/1994, a new provision is added by Law 4438/2016 regarding the authority to carry out the "Mutual Agreement Procedure" (MAP) for the elimination of double taxation in connection with the adjustment of profits of affiliated enterprises.
- The Tax Administration will be able to carry out MAP and the General Secretariat of Public Revenue will issue a decision for all the relevant results. Moreover, all the related procedure issues will be defined by the issue of the decision of the General Secretariat of Public Revenue.
- The introduction of the above provisions, contributes to the improvement of the effectiveness of the Dispute Resolution Mechanisms in line with Action 14 of base erosion and profit shifting (BEPS) in the OECD Action Plan.

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