

CORPORATE BRIEFING: Special Edition

Recent Developments in Corporate Legislation

This Briefing provides an overview of Law 4919/2022 regulating the incorporation of companies through the One Stop Shop and the operation of the General Commercial Registry (GEMI) which transposed EU Directive 2017/1132*, regarding the use of the digital tools and processes in company law

In This Issue

A. Law 4919/2022 on the Incorporation of Companies Through the One Stop Shop and Operation of the General Commercial Registry (GEMI)

A. Law 4919/2022 (Law 4919) on the Incorporation of Companies Through the One Stop Shop and Operation of the General Commercial Registry (GEMI)

1. Law 4919 aims to improve the business environment, facilitate access to company related information and expand the use of digital tools and processes for an easier, quicker and more time and cost - effective initiation of economic activity through the establishment of a company or branch.
2. Law 4919 sets out, amongst others:
 - a. the procedure for the establishment of companies through the One Stop Shop Authority as well as electronically, through e-YMS, the digital platform operated by GEMI;
 - b. the entities which are obliged to register with GEMI; and
 - c. the procedure for registration of corporate deeds and information with GEMI.
3. Law 4919 also specifies the administrative sanctions to be imposed on entities obliged to register with GEMI for violation of its provisions applicable from 1 October 2022.
4. These sanctions consist of monetary fines ranging from €100

to €100,000 depending on the gravity of the violation and the type or size of the entity.

5. Examples of the circumstances in which administrative sanctions could be imposed include fines ranging from:
 - a. €500 to €10,000 in cases where an entity fails to register with GEMI;
 - b. €500 to €5,000 in cases of violation of the provisions governing the incorporation of an entity through the e-YMS;
 - c. €100 to €300 in cases of late filing of an application for registration with GEMI;
 - d. €200 to €500 in cases where an entity does not include the necessary information provided for in Law 4919 (such as their GEMI registration number, legal type or registered seat) in their documents and stationary;
 - e. €500 to €10,000 in cases of violation of the provisions of Law 4919 on the information mandatorily registered and published with GEMI (such as an entity's Tax Registration Number, registered seat, email address, activity codes, articles of association and legal representatives);
 - f. €2,000 to €100,000 in cases of non-filing of an entity's financial statements;
 - g. €1,000 to €10,000 in cases of violations related to the online filing of corporate deeds and information of local branches of foreign entities; or
 - h. €1,000 to €10,000 in cases of violations related to the entity's trade name (such as registration of a trade name which is contrary to the law and the principles of morality).
6. The above fines are imposed by way of an electronic notice to the relevant entity or their legal representative(s). The latter are entitled to express their views and objections to the imposition of the fine, either in writing or electronically,

* As amended by the EU Directive 2019/1151 of the European Parliament and of the Council dated 20.06.2019.

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within a period of 30 days from the date of receipt of notice.
In cases of:

- a. recurrence of the same violation within a period of three years, the amount of the fine imposed is doubled; and
 - b. a new recurrence within the same period, the amount of the fine is tripled.
7. A procedural appeal may be lodged against the acts imposing the fines within 30 days from the communication of the imposition of a fine which effectively suspends the business of the liable entities.
8. The fine is collected either in accordance with the provisions of the Code for the Collection of Public Revenues or electronically.
9. Law 4919 introduces certain criminal sanctions applicable from 7 April 2022 and consisting of imprisonment for a minimum of three months up to 10 years depending on the nature and gravity of the violation. These apply to persons who, amongst others:
- a. access the GEMI platform without proper authorization; or

- b. culpably declare or enter false information with GEMI or through the digital platform e-YMS.
10. Law 4919 also specifies the cases where the right of an entity to register documents with GEMI is automatically suspended. In particular, this applies where the entity in question:
- a. has not registered its financial statements with GEMI within the time limit, if this registration is required by the applicable law;
 - b. lacks legal management or appointed liquidators for a time period exceeding 6 months;
 - c. has not published the initial liquidation balance sheet within one year following its entry into liquidation;
 - d. has had its tax registration number suspended or deactivated;
 - e. has not certified the payment of its share capital within the deadlines set out by Greek corporate law.
- The above suspension is lifted as soon as the registration of the missing documents is completed or in case a court decision for the appointment of legal management or liquidators is pending.

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