



# Legal Flash

November 2019

Law 4635/2019, which reforms the organization and functioning of the General Commercial Registry (GEMI), was voted by the Hellenic Parliament and was published in the Official Government Gazette (A 167/30.10.2019) with entry into force on 30 January 2020.

The most significant reforms that the new law introduces can be summarized in the following:

## Repealing of Regional Authorities' responsibilities

GEMI Services are now solely responsible not only for the control of the legality but also for registering and publishing all documents, information and notifications.

*This is an important development which, in light also of recent changes regarding corporate actions that are subject to approval by the competent authority reshapes the landscape of corporate law in practice in our country. It remains to be seen if GEMI is well prepared for the increased workload and we cannot exclude disruptions, at least upon the initial transition phase. Interested parties must be well prepared for this transition.*

## Update of those liable to register with GEMI

The optional registration in GEMI is repealed, while now there is an explicit distinction between who is obliged to register and who not. Building societies, specific types of joint ventures and companies governed by civil law referred to in Article 784 of the Greek Civil Code are required to register with GEMI.

## Integration of certified notaries in GEMI Services

The law provides for the establishment of the Registry of Certified users in which certified notaries are included. The registration and publication of notarial deeds in GEMI can now be assigned to these notaries.

## Mandatory indication of GEMI number and other information on websites and e-shops

The new law has introduced the obligation to indicate the GEMI number on web sites and e-shops. Furthermore, entities will now be obliged to publish the legal form, the registered seat as well as their status under liquidation (where relevant) in all letters, order forms, web sites and e-shops. It is also stipulated that any references to the share capital of a company should pertain to the subscribed and paid up share capital.

## Interconnection of GEMI with other National Registries

The interconnection of GEMI's information system with TAXIS is mandatory, while the law provides also for the interconnection with other national Registries in order to prevent companies from submitting multiple applications.

## Legal consequences of non publication

Failure to comply with the obligation to publish documents and particulars in GEMI, renders, among others, the company unable to participate in public tenders, as well as, to claim PA (Partnership Agreement for the Development Framework) programs.



#### Specifications of the documents and the particulars to be registered and published

The documents and the particulars that should be registered regardless of the legal form as well as the additional documents to be registered depending on the legal form, are now listed in detail. Especially, with regard to the documents and the particulars of the branches of third countries companies, these should be mandatorily registered in GEMI, instead of the Regional Authority, mentioning also the registration number in addition to the GEMI number. Finally, the establishment of foreign companies is now accomplished through their registration in GEMI.

#### Automation of GEMI registration and publication process

Notarial deeds, private partnerships' documents and particulars (excluding those concerning dissolution, de-registration and revival) and capital companies' documents and particulars (excluding those concerning dissolution, de-registration, revival and the amendment of the articles of association by a private document) shall be registered and published without being subject to any completeness or legality check. Documents and particulars of Companies' Transformations (L.4601/2019) are explicitly excluded from GEMI's automated process.

#### Strict time frames for the completion of GEMI registration process

The application for the registration with GEMI should be submitted within twenty (20) working days, starting from the date that the obligation for publication formalities arises. Furthermore, the Authority should complete the registration process within five (5) working days. In any case, the registration process can not exceed twenty one (21) days.

#### Suspension of the registration of a registered legal entity

The registration of a registered legal entity will be suspended if:

- it does not comply with the publication requirements for two (2) consecutive years; or
- it has not published a commencement liquidation balance sheet for two (2) years after it has been set under liquidation; or
- its Tax Registration Number is suspended.

#### Certificate of Good Standing

The Certificate of Good Standing is issued to all registered entities in GEMI, provided that:

- they have not been de-registered from GEMI
- they have not been dissolved or entered into liquidation
- there is no pending procedure against them for the creditors' collective satisfaction (such as bankruptcy, rehabilitation, conciliation etc.)
- they have fulfilled their publication obligations or they are except from them
- their registration in GEMI has not been suspended

The Certificate of Good Standing is valid for two (2) months.

#### Higher administrative fines

The administrative fines are significantly increased, ranging from five hundred (500) to one hundred thousand (100.000) EUR and can double or even triple in case of repeated infringement. The criteria and the amount of the fines will be determined by a joint ministerial decision.

It is important to note that each individual case needs to be examined based on its own merits, and that the above-mentioned general principles might not necessarily capture all possible eventualities. Our expert advisors are in a position to advise you on the implications arising from a Greek perspective in relation to your specific case.

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This information is intended only as a general update for interested persons and should not be used as a basis for decision-making. For further details please contact PwC: 268, Kifissias Avenue 15232 Halandri tel. +30 210 6874400

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