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Company Formation in Greece

Greece

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In the light of the opportunities that Greek financial crisis offers, it is important for any potential investors to understand the vehicles through which they can materialize their business plans. In other words, it is necessary to understand the main characteristics of the Greek companies and their formation procedure.

The two main types of Greek companies are the **Company Limited by Shares** (A.E.) and the **Limited Liability Company** (E.P.E.). Their main characteristics and difference from other types of Greek companies (such as General Partnerships and Limited Partnerships) is that the personal liability of each shareholder is limited to the amount of capital invested in the company.

A. Company Limited by Shares – Anonymous Etaireia (A.E.)

Main Characteristics

1. At least one shareholder, individual or legal entity.
2. A minimum share capital of **25.000 €**.
3. The liability of the shareholders is limited to the amount of capital invested. The Company Limited by Shares has legal personality and its own corporate assets, with which it is liable for its debts (principle of separation between the corporate assets and the shareholders' personal assets).

Advantages

1. Suitable for large companies.
2. Shareholders are liable only for the amount of capital they have contributed and all decisions are taken either by simple or special majority voting.
3. High flexibility in transferring shares and in the input and output of shareholders.
4. Favorable by banks and market authorities because of the minimum amount of capital.
5. The winding-up of the company can be decided only by special majority voting contrary to the partnerships, where any partner is allowed to apply for dissolution of the company.
6. Reliability towards the public authorities, banks, clients and suppliers.

B. Limited Liability Company – Etaireia Periorismenis Efthinis (E.P.E.)

Main Characteristics

1. At least one shareholder, individual or legal entity.
2. There is no minimum share capital.
3. The liability of the shareholders is limited to the amount of capital invested. The Company Limited by Shares has legal personality and its own corporate assets, with which it is liable for its debts (principle of separation between the corporate assets and the shareholders' personal assets).

Advantages

1. Suitable for small and medium size businesses.
2. Shareholders are liable up to the amount of capital they have contributed.
3. Less formalities than the Anonymous Etaireias.
4. Option to prohibit transfer of company's shares.
5. Flexibility to define the shareholders' relationships.
6. Low amount of minimum required capital.

C. Registration Procedure

In 2010 a new law was enacted by the Greek Parliament to facilitate and simplify the registration procedure of Greek companies. The new law provides for the mechanism of “One Stop Shop”. As regards the registration of A.E. and E.P.E., the “One Stop Shop” service is provided by a Greek certified Notary Public. He is responsible for the collection of all necessary documents and applications and in general for the smooth registration of the company. The registration procedure is the same for both A.E. and E.P.E. Below you can find a list of some of the necessary documents for registration of both A.E. and E.P.E. and also the relevant fees and expenses.

Documentation

1. Articles of Association, personal identification documents, evidence of establishment of the legal persons, residence permits if the shareholders are foreigners.
2. Application to check availability of the company's name and to register it with the respective Chamber of Commerce.
3. Application to register the Company itself with the competent local Chamber of Commerce.
4. Application to register the Company with the General Commercial Registry.
5. Application to obtain a Tax Identification Number.
6. Application to register the members of the Board of Directors to the respective Social Security Organizations

Fees and Expenses

1. Notary public and attorney fees
2. The Company Establishment Note (€70)
3. General Commerce Registry registration fee (€10)
4. Capital Accumulation Tax (1% of the capital)
5. Local Chamber of Commerce registration fee
6. Registration fee to the Social Security Fund

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