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## Newsflash

13 May 2022

### Law. 4919/2022 (Official Gazette A' 71/07-04-2022) regarding the General Commercial Registry (GEMI)

The Law 4919/2022 wholly abolishes the provisions related to GEMI included in the Laws 4635/2019, regarding the GEMI and 4441/2016, regarding the simplification of the procedures of establishment of a business aiming at: a) the transposition in the Greek legal framework of the Directive (EU) 2019/1151 as regards the use of digital tools and processes in company law, b) the consolidation in one law of the provisions regarding the establishment of a business and the publication of the acts with GEMI, and c) the simplification of the procedures at a legal, administrative and technical level, as it is provided by the Directive. For the implementation of the new law, the issuance of ministerial decisions and the respective harmonization of electronic systems shall be required. The most important amendments occurred for the GEMI versus the previous legal framework are summarized as follows:

#### Registrants with GEMI

- Civil cooperatives, such as the Energy Communities.
- Branches of Greek companies and businesses should be registered digitally with GEMI and they are discharged from the obligation to pay the annual fees to GEMI.
- The agricultural cooperatives might be optionally registered.
- In addition to the GEMI number, the obliged persons acquire the European Unique identifier (EUID), a number which shall aim at facilitating the communication of registries via the Business Registers Interconnection System (BRIS).
- Unions, foundations, fundraising committees and civil companies are obligatorily registered free of charge, with the "Registry of Non-Commercial Economic Activity (M.M.E.O.D.)". Persons who are registered with scientific institutions and practice free professional activity (e.g. members of Medical or Bar Association, Economic or Technical Chamber) without conducting commercial acts, are registered optionally with the "General Registry of Members of Scientific Institutions (G.E.M.M.E.F.)", free of charge. This registration is however a pre-requisite for the

above persons in order to receive any kind of European Union financial support or grant.

#### Establishment of a company via the One Stop Shop

- The scope of application with the One Stop Shop is expanded and now **addresses all legal forms that are required to register with the GEMI.**
- Standardised articles of association for all entities will be available, not only in Greek but also in English.
- Following the completion of the entity's establishment, a request to open a bank account in a financial institution of its choice through One Stop Shop can be filed.

#### Branches of foreign companies seated in a Member State of the European Union

- The procedure for online registration of branches is provided, when their parent company is seated in an EU Member State, i.e. the establishment shall be held entirely digitally via a special platform.
- For the aforementioned branches, the online registration of the acts and data that should be published is provided, within three (3) months from the date of the adoption of the relevant decision, as well as the way of notification of their closing of business and their subsequent deregistration from GEMI.

#### Access to information and data

- Specific data of the companies are available free of charge and via the B.R.I.S. of the EU Member States, as well as brief and useful information, in Greek and English, in order to inform the public about the current legislation, the obligations of the companies and any procedures provided.

#### Duties payable to GEMI

- The automated registrations of acts and data with GEMI (in case they do not require a legal control) will be made free of charge.
- The electronic reservation of the corporate name and distinctive title, when conducted by the obliged person will be free of charge.

## Sanctions

- The fines imposed range depending on the gravity of the infringement and the entity's form or size category. In particular:
  - a) for infringements related to the establishment of the company via the electronic One Stop Shop, a fine from five hundred (500) to five thousand (5 000) Euro is imposed,
  - b) for infringements related to the omission of registration with GEMI a fine from five hundred (500) to ten thousand (10 000) Euro is imposed,
  - c) for infringements related to the omission of registration of the provided data in the documents or letterheads of the company or the branch of the foreign entity a fine from two hundred (200) to five hundred (500) Euro is imposed,
  - d) for infringements related to the late filing of an application for registration with G.E.MI. a fine from one hundred (100) to three hundred (300) Euro is imposed,
  - e) for infringements related to the automated registration with G.E.MI. a fine from one hundred (100) to one thousand (1 000) Euro is imposed,
  - f) for infringements related to the ex- officio registrations with G.E.MI. a fine from one hundred (100) to one thousand (1 000) Euro is imposed,
  - g) for infringements related to the data that must be registered and published a fine from five hundred (500) to ten thousand (10 000) Euro is imposed,
  - h) for infringements related to failure to submit financial statements of capital companies and branches a fine from two thousand (2 000) to one hundred thousand (100 000) Euro is imposed,
  - i) for infringements related to failure to the online registration of branches of foreign companies and the online registration of acts and data a fine from one thousand (1 000) to ten thousand (10 000) Euro is imposed,
  - j) for infringements related to the corporate name of the legal persons, a fine from one thousand (1 000) to ten thousand (10 000) Euro is imposed.
- Persons obliged to be registered the GEMI maintained by the Ministry of Labour and Social Affairs are exempted from the imposition of fines (as well as from the payment of duties).
- Criminal sanctions are imposed (deprivation up to ten (10) years or imprisonment up to three (3) months or up to one (1) year, depending on the violation) for specific offenses, such as the at fault declaration or registration of false or misleading information with the GEMI and the electronic One Stop Shop. Offenses are prosecuted ex officio.
- The sanction of the non-participation in procedures regarding the assignment of public work contracts, supplies and services with public sector entities and their claim for NSRF programs, is eliminated, in case of failure to comply with the publicity obligation provided in the relevant provisions for the obliged persons to register with GEMI.

## Contact

### **Liana Kosmatou**

Lawyer/Director

T: +30 210 60 62 159

E: [kosmatou@cpalaw.gr](mailto:kosmatou@cpalaw.gr)

### **Irini Zouli**

Lawyer/ Senior Manager

T: +30 210 60 62 159

E: [izouli@cpalaw.gr](mailto:izouli@cpalaw.gr)

[www.cpalaw.gr](http://www.cpalaw.gr)

**This Newsflash aims to provide the reader with general information on the above mentioned matters. No action should be taken without first obtaining professional advice specially relating to the factual circumstances of each case.**

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