

Legal Flash

July 2016

Law 4403/2016 was published in the Government Gazette, which incorporates the articles 19, 20, 29, 30, 33, 35, 40 up to 46 of the Directive no. 2013/34/EU in relation to (inter alia) annual financial statements, consolidated financial statements and related reports of certain types of undertakings.

One of the most significant amendments of this Law refers to the date of the convocation of the annual general meetings of societate anonime, limited liability companies and private companies.

A. General Meetings & Financial Statements

I) General Meeting and publication of the Financial Statements for the year 2015

➤ Convocation of the General Meeting

Extension for the GM's convocation regarding the financial year 2015 up to 2 months following the deadline of the tax returns submission

- In particular, as regards the capital companies, the financial year of which ended on 31.12.2015, it is provided through the relevant provisions that the time period for the Societate Anonime (S.A.), Limited Liability Companies (Ltd), and Private Companies (P.C.), to convene the annual Ordinary General Meeting ("GM")/Partners' Meeting ("PM"), expires two (2) months from the closing date of the tax returns submission of the said companies. Given the fact that the submission of the tax returns has been extended (up today) until 15.07.2016, the duly convocation of the GM/PM of the above-mentioned companies may take place until **15.09.2016**.
- Accordingly, the deadlines related to the submission and publication to the General Commercial Registry ("GEMI") (or optionally, to the (company's) website/financial newspaper) of the invitations, annual financial statements, and other corporate acts of the said entities (subject to publicity), are also amended. In any case, the above deadlines depend on the date of convocation of the GM/PM.

II) General Meeting and publication of the Financial Statements for the years following 2015

New dates for the convocation of the GM (for years following the entry into force of the present Law)

- In the article 4 of the new Law, it is provided that the GM/PM of the capital companies (S.A., Ltd, P.C.) is convened mandatorily, at the latest **until the tenth (10th) calendar day of the ninth (9th) month following the closing of the said fiscal year**.
- Capital companies (S.A., Ltd and P.C.), as well as partnerships, when all of the direct or indirect partners of these entities have limited liability, due to the fact that they (partners) are legal entities having the type of a societate anonime, limited liability company, limited partnership by shares, or private company, are obliged to submit to GEMI for publication purposes the following:

a) the duly approved by the ordinary GM/PM annual financial statements;

b) the management report; and

c) the opinion of the statutory auditor or the audit firm (if required)

within twenty (20) days from their approval by the ordinary GM/PM.

Abolition of the obligation related to the publication of the financial statements 20 days prior to the GM/PM

Therefore, the obligation to publish the financial statements twenty (20) days prior to the GM/PM, as was in force for S.A.s and LtDs up to the voting of the new Law, has been abolished.

- Exception pertaining to the obligation of the publication of the management report for very small societies anonymes is provided, excluding entities of public interest (according to L. 4308/2014).

B. Corporate Governance Statement

- A new article under no. 43bb of the C.L. 2190/1920 in relation to societies anonymes has been introduced, which amends the obligation with regard to the “corporate governance statement”, which concerns henceforth both societies anonymes whose securities are admitted to trading on a regulated market, as well as partnerships, when all of the direct or indirect partners of these entities have limited liability, due to the fact that they (partners) are legal entities having the form of a societe anonyme, limited liability company, limited partnership by shares, or private company. Henceforth, this statement may have the following form:
 - either of a separate report, which is published together with the management report, in accordance with the provisions of article 43b of C.L. 2190/1920, or
 - of a document which is available online to the public at the societe anonyme’s website, and which specifically refers to the management report.
- In addition, as regards large societies anonymes (based on the definition given in the L. 4308/2014), it is provided that the corporate governance statement should now include, among others, a description of the policy applicable in relation to the diversity required for the administrative, managerial, and supervisory bodies of the societe anonyme, concerning aspects, indicatively mentioned as the age, gender or the educational and professional background of the members, the goals of the said policy in relation to the diversity, the way through which this policy is going to be applied, and the results of the reference period. If such a policy is not applied, the statement must include special justification for that.

Additional data in the Corporate Governance Statement for large SAs

C. Management Report of the Board of Directors

- The article 43a of the C.L. 2190/1920 on societies anonymes, with regard to the information which has to be incorporated in the annual management report of the Board of Directors, was fully replaced. In accordance with the amended article 43a, the content of the management report of the Board of Directors may vary, depending on the size of the company (as it is defined in L. 4308/2014).
- The very small societies anonymes, except for those which are of public interest entities, as defined in L. 4308/2014, are exempted from the obligation to draft the management report, under the condition that

Exemption of very small SAs from the obligation of drafting a Management Report of the Board of Directors

particular indications (in case of acquisition of own shares) are included in the appendix or at the end of the balance sheet.

- The content of the new article 43a applies proportionally both to Ltds and PCs as well as to partnerships, when all of the direct or indirect partners of these entities have limited liability, due to the fact that they (partners) are legal entities having the form of a societe anonyme, limited liability company, limited partnership by shares, or private company.

It is noted that, in the new L. 4403/2016, apart from the above-mentioned amendments, additional provisions have been incorporated, which refer to “Provisions regarding the Competence of the General Secretariat of Ministry of Economy, Development and Tourism”, “Provisions regarding the Competence of the General Secretariat of Public Investments and ESPA”, “Provisions regarding the Competence of the General Secretariat of Industry” and “Provisions regarding the Competence of the General Secretariat of Trade and Consumer’s Protection”.

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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:
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