**Setting up a company in Greece**

**An Overview**

Greek law provides for a variety of legal forms for carrying out a business. In addition to establishing a Greek company or entity (partnership), foreign enterprises may establish and operate a business in Greece by forming a Greek branch or entering into a joint venture with another enterprise. Foreign enterprises can also establish a presence in Greece (Law 89 office/company as revised by Law 3427/2005) whose sole scope of activity is to provide certain services to their head office or any other affiliate company not established in Greece. Individuals can operate as sole traders or freelance professionals.

An entity with its registered place of business in Greece is normally considered to be a Greek entity despite the fact that all of its members may be foreign.

**Types of establishments**

**1. Corporation – Anonymos Eteria (AE) (L. 2190/1920)**

An Anonymos Eteria is a legal entity in which the liability of a shareholder is limited to the amount contributed to the share capital. This entity is the equivalent of the French "Société Anonyme" or the German "AG" and enjoys the highest status in Greece.

All actions required for the establishment of AEs (except for the temporary registration of its corporate name) are carried out by a Notary Public, who is considered the One-Stop Authority. The Notary Public interfaces with the other authorities as applicable, making most payments and submitting all documents and applications to the authorities involved in the establishment of the AE. Short timelines generally apply for the completion of the procedures.

In general, the following are required:

* Temporary registration of the corporate name with the competent Commercial Chamber;
* Preparation and signature of Articles of Association by the founders before the Notary Public to include provisions relating to, amongst others, the corporate name, registered address, duration, objects of activity, share capital (number and nature), Board of Directors and Shareholders;
* Payment of various registration duties;
* Registration of the corporation with the Registry maintained with the General Commercial Registry;
* Issuance of establishment approval by the Ministry of Regional Development and Competitiveness (only for specific corporations such as Banks, insurance companies etc.);
* Publication of the establishment of the AE in the General Commercial Registry’s website.

The AE’s establishment for corporate law purposes is considered to have been completed upon the registration of the AE with the General Commercial Registry, whereas ministerial approval of the Corporation’s establishment is required only in specific cases (i.e. Banks, insurance companies etc.).

The AE’s tax registration is also carried out by the One-Stop Authority.

The Articles of Association of an AE can be signed by one or more founding shareholder(s), either individuals or legal entities. The minimum share capital required for the establishment of an AE is currently EUR 24 000, which must be paid up in full upon incorporation and the payment thereof must be certified by the Directors within two months from the date of incorporation. Special laws prescribe higher minimum capital requirements for AEs with particular business activities, for example banking institutions and insurance companies.

The administration of an AE is carried out by the Board of Directors and by the shareholders at general meetings. The management of the AE is vested in the Board of Directors, which must consist of at least three members who can be individuals or legal entities if so provided for in the Articles of Association.

**2. Limited Liability Company - Eteria Periorismenis Efthynis (EPE) (L. 3190/1955)**

An EPE is a hybrid of an Anonymos Eteria and a partnership and is similar to the French Sarl or German GmbH. An EPE resembles an AE in that it is regarded as a legal entity separate from its partners and it has limited liability. An EPE resembles a partnership in the manner decisions are made. In particular, the majority of both the number of partners and of the capital is required.

The owners of the company are known as participants, unit holders or partners and are liable only to the extent of their contributed capital. Participation in the capital of an EPE and extent thereof is evidenced by the Articles of Association.

This form of establishment may be convenient for small and/or medium-size operations or operations which provide services to other group entities where the higher status of an AE is not considered necessary.

Similar to AE companies, all actions required for the establishment of EPE companies (except for the temporary registration of their corporate name) are carried out by the Notary Public who is considered as the One-Stop Authority. An EPE is formed by executing the Articles of Association before the Notary Public, payment of various duties and then filing of the Articles with the General Commercial Registry, with the establishment also being published in the General Commercial Registry’s website. The EPE’s tax registration is also carried out by the One-Stop Authority.

An EPE may be established by one or more partners. However, if upon establishment or at any time thereafter, the entire capital of the EPE is concentrated in the hands of one partner, the company's name must include the words "Sole Partner EPE". The partners of an EPE may be either individuals or legal entities.

Currently there are no minimum capital requirements for the formation of an EPE. The capital is divided into equal parts or units with no minimum par value, which must be fully paid-up at the time of incorporation.

An EPE is administered and represented by one or more persons (administrators), who need not necessarily be partners of the EPE, and are appointed by the Articles of Association or by the partners in meeting.

**3. Branch (L. 2190/1920, Art. 50, 50a, 50b)**

A branch of a foreign company may be established in Greece through registration with the General Commercial Registry. For this purpose, certain documents must be filed with the General Commercial Registry, including Articles of Association of the foreign company, a certificate of good standing of the foreign company issued by the competent foreign supervising authority, a resolution of the competent corporate body of the company approving the establishment of a branch in Greece, and a Power of Attorney appointing the branch’s legal representative(s) in Greece and the person(s) authorized to receive correspondence in Greece (if a legal representative does not reside in Greece).

Following registration with the General Commercial Registry and publication in the General Commercial Registry’s website, where required, the branch must be registered with the competent tax authorities (the tax registration is not carried by the General Commercial Registry but is effected separately at the competent tax office).

The branch is administered by its legal representative(s) in Greece (see above). The representative(s) of the branch is/are generally under the same management liability as the member(s) of a Board of Directors of an AE or the administrator of an EPE.

**4. General Partnership - Omorythmos Eteria (OE) (L.4072/2012)**

A general partnership is an entity in which all the partners are jointly and severally liable for the debts of the partnership without limitation in liability.

The Articles of Association of a partnership need not be signed before a Notary Public and may take the form of a private agreement. General partnerships are established through One-Stop Authorities (General Commercial Registry etc.) and their Articles of Association are filed with the General Commercial Registry. Under certain particular circumstances, a summary of OE articles may need to be published in the General Commercial Registry’s website.

There is no minimum capital requirement. The capital may be contributed in cash or in kind, or in the form of personal services to the partnership.

The affairs of the partnership are administered by one or more administrators.

**5. Limited Partnership - Eterorythmos Eteria (EE) (Commercial Code, Art. 23-28, 47-50)**

In all respects, a Limited Partnership is similar to a General Partnership, except that the liability of the limited partner (eterorythmos eteros) is limited to his contributed capital. At least one partner must have unlimited liability (omorythmos eteros). If a limited liability partner is engaged in the management of the partnership he loses his limited liability status.

**6. Private Capital Company – Idiotiki Kefalaiouhiki Eteria (IKE) (L. 4072/2012)**

A Private Capital Company is exclusively liable for its corporate debts, whereas the liability of its partners for corporate debts towards third parties is limited to the amounts specifically mentioned in its Articles of Association.

The Articles of Incorporation of a Private Capital Company must take the form of a notary deed only in certain cases; otherwise a private agreement is sufficient. Private Capital Companies are established through the General Commercial Registry and their Articles of Incorporation are filed with this Registry.

There is no minimum capital and the partners can participate in the company by contributions in cash or in kind, in the form of personal services to the firm, or in the form of guarantees/liability undertaken by the partners towards third parties.

The affairs of the company are administered by one or more administrators.

**7. Joint Venture – Kinopraxia (JV) (L/4072/ 2012)**

The term joint venture (JV) is used in commercial practice to indicate the cooperation of individuals or legal entities for the purpose of pursuing and carrying out a specific project. A joint venture (JV) is not recognized by law as a separate legal entity. If registered with the General Commercial Registry, the J V is considered a union of persons and acquires legal and bankruptcy capacity. If the JV carries out commercial activities, it must be registered with the General Commercial Registry and the provisions regulating General Partnerships apply to it. Further, if the JV is not obligatorily registered with the General Commercial Registry, it can be recognized as a fiscal entity for tax purposes, provided that certain conditions are met, including the filing of the JV agreement with the tax authorities prior to the commencement of its activities.

Law 89 office/company (as revised by Law 3427/2005)

Foreign entities may establish an office or a company in Greece under the provisions of Law 89/1967 as amended by Law 3427/2005, for the sole purpose of providing to their head offices or to their foreign affiliates (companies not established in Greece) consulting services, centralized accounting support, quality control of production, processes and services, project planning services, advertising and marketing services and data processing services. The personnel of Law 89 entities must consist of at least four persons and the company’s annual operating expenses must amount to at least EUR 100 000, to be covered via bank remittances.

For any further information you can visit ( <http://www.eea.gr/gr/el> ), while it is highly recommended to ask assistance from a lawyer, who can indicate which type of company serves better your interests.