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Single or Sole proprietorship, sole trader,

proprietorship

The single or the sole proprietorship is a business that does not involve partners, but is owned by one individual who may work alone or employ others.

The main advantage of sole proprietorship is the fact that it is a very flexible type of business entity, since the owner has complete control over all the aspects of his business and can take direct and unhindered managerial decisions concerning the future of the business and act quickly and efficiently.

The disadvantages of sole proprietorship become apparent when the business tends to grow and its management requires more time.

In case of the size of the proprietorship is such that the owner can not meet the needs, we go into corporate forms of business.

General Partnership

Omórithmos Etería

Characteristics

Concept

The concept of general partnership is given by the Commercial Law in Articles 20-22 . In particular, in Article 20 C.L. it is stated that: "General Partnership (the Company) is formed between two or more, having purpose to co-trade under a company's name." The science and the law, and various other ordinances culminating ultimately in Article 784 of the Civil Code, completed the above definition, adding that general partnership has its own legal personality distinct from that of its partners. As a consequence, it has its own legal existence, name, residence (headquarters), nationality and its own property. The Civil Code Article 741 specifies that the pursuit of the common goal of the company (which is particularly financial) made by joint contributions of the partners. Moreover, the ordinances of the Civil Code about the Companies (Articles 741-784) concern essentially urban companies, alternative, however, applied to commercial partnerships.

Existence of General Partnership

As it mentioned above, the general partnership, as well as the limited partnership, have their own legal existence, which means that they are legal entities.

The inception of the single proprietorship's legal existence occurs with the statutory publication of the articles of association in the records of the District Court. The end of it comes when the

liquidation of the company finishes and the distribution of the net assets to the former partners is completed.

The legal existence of the general partnership remains unchanged when the articles of association are modified, keeps on until the end of the liquidation for the necessities thereof. The general partnership obtains legal existence by the statutory publication of the articles of association (before this, the partnership cannot contribute or be the subject of rights and in case of the partners of the under composition general partnership attach legal transaction with third parties –before the publication of the association- they (the partners) become the entities of the related rights, even if the traders aimed the company.

The fact that the proprietorship is a legal entity has certain legal consequences, such as: Its own name, residence (headquarters), citizenship and institutions (natural persons) who represent it and administer (manage) the corporate affairs and the company's estate. Headquarters (residence) is the place where the administration (managers) operates. Against the representatives (managers) of the proprietorship, detention can be ordered due to trade receivables or tort, under Article 1047 § 3 of the Code of Civil Procedure. Moreover, the company has the ability to acquire ownership of movable and immovable property and other rights. So, it has its own property, separated from the partners'. The company's real estate are being registered in a specific portion at the local land registry. In addition, the corporation has the right to pursue reparation for oral damage caused to its existence. Finally, the company has the right to participate as a member of another company, of any type, and appear in Court as a litigant party, represented by its legal representatives.

Unlimited liability of the partners

Article 22 C.L. states: "The unlimited liability partners, stated in the company's incorporation, are jointly subjected to all the obligations of the company, even though it is signed by only one of the partners, but under the corporate name". The concept of solidarity is equal to the concept of total guilt, according to the Civil Code. The legal entity of the general partnership and the general partners as well, bear the responsibility for the payment of the liabilities, legally undertaken by the company. So, the lender is entitled (under Article 482 Civil Code) to demand the debt of the company from any partner, either whole, or part of it.

Two special points of the general partners' liability must be particularly highlighted:

- The partners of the general partnership (who all have unlimited liability) are responsible unlimited and severally. "Unlimited" means that the general partners liable with all their property, while "severally" means shared responsibility among all partners.
- The same responsibility have also the general partners of the limited partnership.
- In case of the company's dissolution, the existing contracts are not abolished, even if they concern time after the dissolution. The general partners and the company are responsible for the fulfillment of the legal obligations "severally" each one and the lender

is entitled to demand the debt from any co-debtor.

- In case of a conversion from a general partnership or a limited partnership into an incorporated company, the former general partners still have unlimited liability and "severally" for the proprietorship's commitments which were undertaken before the conversion. Proportionate adjustment of the ordinance of Article 53 § 4 of Law 31,90/55, which anticipates the above liability of general partners in case of converting a proprietorship into a limited company (2).
- Every new general partner, who enters in a proprietorship, is responsible for all its debts, regardless whether they were created before or after his entrance in the company, unless there is an opposite agreement between the partners from the prior (of the entry) company's debts.

Trade property of the company and its partners

The general partnership has the trade property according to the essential criterion, which means by the activity it develops (trade actions). The general partners of general partnerships and limited partnerships are both traders. The limited partner of a trade limited partnership does not obtain the trade property only by participating in it, but the individual action of participation is a trade action.

The general partnership is judged according to the essential criterion and thus it gets the trade property. Whenever in the articles of association's purpose makes primarily and usually trade actions. The general partners obtain the trade property, so they are subjected to imprisonment for the company's debt only by their participation in it.

Constitution of general partnership

Partnership contract

Under the partnership's contract, two or more are mutually obliged to pursue a common purpose (especially economic) with joint contributions (Article 741 Civil Code). The contract of a general (and limited) partnership must be in writing, but the document may be private (Article 39 C.L.). See also Articles 43 and 44 C.L., referring to the publication of the articles of association (constituent documents) of general and limited partnerships, which must be published in the competent Court.

Limited partnerships

Eterórithmos Etería

Limited partnership (Partnership Company)

Concept of limited partnership according to C.L. (Commercial Law)

According to Articles 23 and 26 of Commercial Law a limited partnership is formed between one or more jointly and severally liable and one or more partners, simple backers, called limited partners and are responsible only up to the amount of their contribution.

So, feature of the limited partnership is the division of the partners into two categories: the general partners and the limited partners.

General partners

General partners' liability to the company's creditors is –as in a general partnership- joint and unlimited.

Every general partner is responsible with the company and the other general partners "severally" for the company's debts.

Limited partners

On the other hand, every limited partner has limited liability towards the creditors of the company, which cannot exceed the amount of his contribution. The limited partnership has legal existence and is considered as a trade partnership. Consequently, it has the trade property, its actions are presumed to be commercial, can go bankrupt, etc.

In limited partnership, all the ordinances of Commercial Law are being obeyed (both for limited and general partnership) and in addition those of the Civil Law which concern companies.

Simple and limited by shares partnership

Law (Articles 24-28 and 47-50 C.L.) distinguishes two types of limited companies: the simple limited and the limited by shares partnership. The basic difference between these company types is that in the simple, limited partners' portions (which are not allowed to stand for titles) are first of all non-transferable and unassigned, while in the limited by shares partnership, limited partners' portions stand for share titles (just like in the incorporated company), which are freely transferable.

Corporate name

In paragraph 2 of Article 23 of Commercial Law, is defined that the limited partnership is run "under corporate name" bearing necessarily the name of one or more general partners. And in Article 25 C.L. is stated the above definition more explicitly: The name of (any) limited partner "can not be at the corporate name".

So, the name of the limited company will include one or more names of general partners with

possible addendum of other words, indicate of the type of applied business. Also, the words “and Co.” (i.e. and company) can be added next to the name or names of the corporate name, which will cover non stated in corporate name partners, no matter whether they are general or limited. There are not referred any sanctions in Law in case the name of a limited partner is included in the corporate name. But, it is accepted by jurisprudence that, in this case, that limited partner is liable towards third, just like every general partner (unlimited and severally).

Corporate contributions

Under Article 23 of Commercial Law, the limited partner is a simple backer. However, it has been accepted that his contribution can be not only in money, but in kind, too (movable or immovable stuff, by proprietorship or only by use). Concerning if personal work of limited partner can consist his contribution to the company it is preferable to avoid this because the ordinances of Articles 27 and 28 Commercial Law may create trouble. This happens because under Article 27 the limited partner is not able to do any management action or to work for the company’s matters not even by commission (1’. And under Article 28, if he violates the above forbiddance, he is blamed jointly with the general partners for all the debts and liabilities of the company.

The fact that Article 23 C.L. characterizes the limited partner as a simple backer should not create any doubt for his corporate property. The limited partner is not lender, since with his contribution he acquires rights in company’s profits and he suffers the unprofitable consequences of it (even only up to his contribution’s amount).

Constitution of limited partnership

The constitution of limited partnership is committed just as general partnership’s, with a private or notarial document (Article 39 C.L.), which is signed by all the partners (general and limited). For the rest, the procedure is the same with the general partnership’s, as it is described in paragraph 2 of the first chapter of Commercial Law.

Publication of articles of association/statute

Articles 43-44 C.L. concern the publication of the statute’s abstract, which can be signed only by the general partners. Actually, it is prevailed –correctly- that the articles of association are submitted in the competent Court, in order to publish the whole statute which, certainly, has been signed by every partner.

Limited partners’ rights and liabilities

Unlike the general partner of a trade limited partnership (who is trader), the limited partner of it does not become a trader only by participating in it, even if the view that the participation itself is a trade action is acceptable.

The management of the limited partnership belongs to its general partners, who operate it, like in general partnership. The limited partner can not do any act of administration or work on company's affairs not even by commission (Article 27 C.L.). The real meaning of this ordinance is that the limited partner can not work on company's affairs in a manner that it could cause the impression that he acts as an administrator. However, he can undertake service of employee in the company (with hiring private contract).

Also, he is not entitled to represent the company externally.
But the dicreed, under Article 27 of Commercial Law forbiddance for the limited partner's involve in company's actions, is not violated, when he participates (with all its other members) in making decisions for domestic nature matters, such as reorganization of the company.

Moreover, the limited partner conserves intact his right to control the administration manner of the company and to request relevant information from its managers. From the above it is clear that the restrictions on the mixing of the limited partner in company's affairs concern only the outward relations of him (with third who transact with the company, authorities, etc.), while they are not valid for the inward relations of him (with his partners).

The limited partner is obliged to provide his contribution to the company up to the amount of it for the company's debts. Also, he is obliged to contribute in the promotion of the corporate purposes and he is not entitled to make for his own or on behalf of third actions in contrast with the company's interests (Article 747 C.C.)

The transfer of corporate portion of the limited partner is taking place under the same terms with the general partner's. It requires consent of all partners or (if there is a clause in the statute) a decision of the majority of them.

Unlimited liability of general partners of L.P. The general partners either of a general, or of a limited partnership, have unlimited liability for the company's debts. By combination of ordinances of Article 1 and 22 of Commercial Law and Article 1047 § 1 of Code of Civil Procedure, is concluded that the liable as general partners of a general or limited trade partnership, are only by their property traders and they are subjected to imprisonment for the trade debts of the company, liable "severally" with it. These are applied for the company's debts to the Public, too.

Dissolution of limited partnership

The reasons that lead to the dissolution of the limited partnership are generally the same with the single proprietorships' and are mentioned in paragraph 15 of chapter four of the Commercial Law.

At this point should be noted that the limited partner has –like the general- the right to impeach

the company and cause its dissolution.

Of course, it can be done with the terms and consequences of the law (see paragraph 15, chapter four C.L.). Moreover, death, prohibition and bankruptcy of the limited partner are a reason for company's dissolution, as it happens with the general partners, too.

If in the limited partnership is only one limited partner and he abandons it, then the limited partnership is converted automatically into a general partnership. If in the limited partnership is only one general partner and he abandons it, then comes the company's dissolution. The dissolution can be avoided only if, by amending the statute, he is replaced by another general partner (either by converting a limited partner into a general, or with the entry of a new person in the company as a general partner). The impeachment of the limited partnership, which has set up for specific time, anytime, by a limited partner always leads to the dissolution of the company, with no cost for the complainant, if there is a serious reason.

Such reason is, mainly, the essential violation of the contract, and other events, that under the principle of good faith and merchantable morals justify its termination.

Continuance of L.P. with the heirs of deceased partner

Under Article 773 of Civil Law, the proprietorship is dissolved after the death of one of the partners. However, it may be agreed that the company will be continued among the rest partners or between the partners and the heirs of deceased. By this ordinance is provided that condition of the continuance of the proprietorship with the heirs of deceased partner is the existence of a relative clause in the statute, and the acceptance of heritage (or not waived it).

The heir of deceased general partner (liable unlimited for the company's debts) is also responsible for the company's debts before his entrance to the company with his personal property, unless he accepted the heritage for the benefit of inventory.
In the latter case he must make an explicit statement of this.

Limited Liability Company (Co. Ltd.)

Etería Periorisménis Efthínis

Establishment of Limited Company (Co. Ltd.)

Trade property of Co. Ltd.

A limited liability company is a trade company, even if its business purpose is not related to trade (Article 3 § 1 L.3190/55). The Co. Ltd. is a trade company by standard criterion. Regarding the members of Co. Ltd., majority theories, but mainly the Law, almost without exception, agree that those, only by the fact of their participation in the company, do not acquire trade property. In

order to achieve it, the partner of the Co. Ltd. must have active participation in the company's business.

Definition, characteristics of Co. Ltd.

The law does not define the limited liability company, leaving, obviously, this work in science. Article 1 of L. 3190/55, simply, is trying to describe –rather incompletely- the concept of Co. Ltd. Based on the ordinances of L. 3190/55, we can specify the general characteristics of the Co. Ltd.

It is certainly a legal entity and under Article 3 of L. 3190/55 is a trade company according to standard criterion, even if its purpose is not a trade enterprise.

In Co. Ltd., for the company's obligations is liable only the company; however, there is also a parallel personal liability of the partners for debts to the Public and Social Insurance Institution, established by Article 69 of L.D. 356/74 (State Revenue Code).

The joint stock is divided into equal shares, which, however can not be represented by financial securities (as the shares of incorporated company).

The constitution of Co. Ltd. is accompanied with the publication of the statute in the competent Court and of its abstract at the Government Gazette. Authorization of any authority is not necessary (as in incorporated company), but is legislated (by P.D. 419/86) the registration of statute in the records of the Co. Ltd. The characteristics of the limited company partly resemble to those of incorporated company (e.g. partners' convention, limited liability of partners, etc.) and partly to those of sole proprietorship (e.g. administrator's existence instead of board of directors). Sometimes there is a combination of characteristics of sole proprietorship and incorporated company, such as in making decisions during the conventions of partners where is required the majority of both joint stock, and the total number of partners.

The Co. Ltd. is a company type that is between incorporated and sole company. It does not have the disadvantages of the first one (which is a capital company), as the necessity of a large capital and even the reduced influence of the shareholders in company's management. Not even the great disadvantage of sole proprietorships, i.e., the unlimited liability of general partners.

Concept, name, purpose

Concept of Co. Ltd. Limited liability of its members

Paragraph 1 of Article 1 of Law 3190/55 defines that in Co. Ltd. for the company's obligations is liable only the company with its property. With this ordinance, is established the limited (up to the amount of their contribution) liability of the partners of the Co. Ltd. This principle is the main similarity of Co. Ltd. to the incorporated company, but also the greatest advantage for the

partners of limited company. All partners have this advantage –in Co. Ltd. there are no partners liable for the company's debts with whole their personal property jointly, as the general partners in G.P. and L.P.

However, the liability of Co. Ltd.'s partners is unlimited (in order to) for company's debts to the State, according to Article 69 of State Revenue Code (L.D. 356/74). The same is valid for the debts of the Co. Ltd. to S.I.I. Thus, with ordinance of § 1 of Article 1 of L. 3190/55, the concept of Co. Ltd. is defined as a company with limited liability of its members, without giving a complete definition of it.

Corporate portions of Co. Ltd.

Ordinances of Articles 27 et seq. show that the capital of Co. Ltd. is divided into corporate shares, each one of them must have nominal value 30 euros at least. The total number of the shares of a partner is his corporate portion.

The portions can not be represented by financial securities ("shares" according to the rather infelicitous wording of paragraph 2 of Article 1 of L. 3190/55.). Only for the whole portion of partner's participation in Co. Ltd. may be edited a document by the company, which is simply a proof of his corporate property and must bear the words "PROOF NON-BEARING NATURE OF FINANCIAL SECURITY".

Name of Co. Ltd. – According to the Article 2 of L. 3190/55, the name of the limited company is formed either by the name of one or more partners or is determined by the subject of the business.

In fact, many times, for the form of the name of the Co. Ltd. are used both, i.e., both the name of a partner and its business subject, because from the above ordinance is not clear if such a thing is forbidden. E.G. "G. PAPAS CHEMICAL LABORATORIES –LIMITED COMPANY". What is required by the law (paragraph 2 Article 2 L. 3190/55) is that in the corporate name must be included, definitely, entire the words "LIMITED COMPANY".

The company is declared invalid by a Court decision, if the notarial document of its constitution (statute) does not include its name or the included name is not in accordance with law. However, by the agreement of all partners, the initial (constituent) company's document can be supplemented or amended, in order to be published legally, so the nullity is over.

The writing of the name and the capital in all company's forms or publications and advertisements is mandatory. Similarly, of the headquarters and the registration number of the company. These obligations are imposed by paragraph 5 of Article 4 of L. 3190/55, as replaced by Article 2 of P.D. 419/86. Any violation of this requirement of the law is punished with penalties of Article 458 of Penal Code, as Article 60 § 13 of L. 3190/55 defines.

Purpose of Co. Ltd.

As far as the purpose which may pursue the limited company is concerned, in other words concerning the subject of its business, law (paragraph 2 Article 3 L. 3190/55) sets a single restriction. Co. Ltd. is prohibited to conduct business (work) for which is defined by the law other exclusive corporate type (e.g. banking and insurance business must be performed only by incorporated companies). Consequently and in contrast to the above ordinance, any business for the conduction of which the law does not require a certain type of company, may be conducted by a Co. Ltd.

The administrator of Co. Ltd., which performs business in breach of paragraph 2 of Article 3 of L. 3190/55, is punished with the penalties of Article 458 of Penal Code.

Headquarters of Co. Ltd.

Under the ordinance of paragraph 2 of Article 6 of L. 3190/55, as headquarters of limited company is defined a municipality or a community of the Greek Territory.

When it is definitely a big city, in which there are several tax offices, the headquarters must be filled with the accurate address (street, number, postal code). This is necessary in order to determine in which tax office's jurisdiction the company will fall. By the headquarters of the company is determined its jurisdiction (Article 10 C.C. and Articles 25 § 2 and 27 C. Civ. Proc.). The transfer of the Co. Ltd.'s headquarters from a municipality or a community to another municipality or community is a modification of the corporate contract and consequently in such a case all the procedures of statute's modification must be observed (decision of the partners' convention, composition of notarial document, notice to the tax offices of the former and the new headquarters of the company, registration in the District Court's books of companies, publication of notice in the Government Gazette).

However, the transfer of the headquarters' offices within the limits of its municipality or community (where is its headquarters) is not amendment of the statute and is just reported to the tax office. If the company's new offices are in the jurisdiction of another tax office, the announcement will be done to the old and the new tax office.

Registered office of Co. Ltd. is the one mentioned in the statute, while actual office is this one that under circumstances is proved to be the center of the company's activities. Before the composition of the notarial document of the corporate contract can not be considered the existence of a limited company "under foundation", but personal "de facto".

The same happens with a limited company whose registered office is abroad and the actual in Greece. And this company is not considered to be a Co. Ltd. "under foundation", but personal "de facto" company, whose specific nature (general, silent) is determined by the way its members act. Moreover, it is not a foreign limited company, which has its registered office

abroad, while the actual office is in Greece. This company is considered as Greek.

Corporate capital, contributions

Corporate capital

The Co. Ltd.'s capital can not be less than eighteen thousand (18.000) euros and must be totally paid up during the preparation of the corporate contract, i.e. during the subscription of the relevant notarial document. Also, at least half of the corporate capital must be paid up in cash (Article 4 § 1 L. 3190/55). By the wording of the above ordinance are resulting the following: The founding contract should state clearly that the corporate capital is paid up, e.g. by counting the cash in front of the notary or with enclosed checks of such and such.
Part of the capital may come from partners' contribution in kind (which, however, should necessarily be assessed by the committee of Article 9 of C. L. 2190/20).

Under no circumstances the capital of Co. Ltd. can be reduced below 18.000 (Article 41 § 3 L. 3190/55). Under no circumstances means for the entire period of its function. The law does not set a maximum limit for the Co. Ltd.'s capital.

In each form or advertisement or publication of the Co. Ltd. must necessarily be mentioned, among other mandatory items, the corporate capital (Article 4 § 5 L. 3190/55).

The principle of capital's stability is valid for the Co. Ltd., as for all the companies, and highlights its capital nature. This nature, however, is weakened by the fact that the lower limit of the corporate capital (18.000 euros) has not been adjusted since 1955, the year in which the company was established and naturally is considered as low.

Corporate portion, corporate share

The Co. Ltd.'s capital is divided into shares. The corporate share should not be less than 30 euros. However, it may be greater than 30 euros, but in this case it must be an integer multiple of the amount of 30 euros. Every partner can be involved in the configuration of the corporate capital with more shares, which constitute the participation's portion of him (corporate portion).

Incorporated company, public limited company - societe anonyme (SA) joint – stock company

Anónimi Etería

Establishment of Incorporated Company

The incorporated company is a legal entity that has mostly speculative character with main advantage that the participants in it (shareholders) are liable up to the amount of their participation.

Conditions of Constitution of Incorporated Company

The conditions of S.A.'s constitution are the statute's setting up, the coverage of the corporate capital, the approval of the statute and the authorization of the S.A.'s establishment by the management and the observance of publication's formalities.

Statute

The statute is the document that includes, first of all, the contract of the constitution of the S.A. Also, the statute includes the terms of organization and operation of the S.A. and the contracts of drawing the capital stock. Persons involved in constitution of the S.A. are called founders. Founders must be adults and have the ability to conduct trade actions.

In addition, founders of the S.A. except from natural persons can be legal entities. The founders must be at least two. The fact of the subsequent merger of all shares in one person does not affect the constitution and the function of a S.A. The statute is set up always by a notarial document and its compilation must be attended by all its founders who also sign. The founders may attend by representative provided that there is proxy by notarial document. Also, the presentation of a lawyer is required.

Content of Statute

In Article 2 of L. 2190/20 is referred the mandatory content of the Statute.

Specifically, the statute must include ordinances:

- *For the name and the purpose of the company*

The name is taken from the company's subject. If the purpose of the company extends to more objects, the name can be derived from the main ones.

The name may also contain the name of a founder or another natural person, while the words "Incorporated Company" must be included. The purpose of the S.A. concerns the object of activity which characterizes the S.A. The object can be wide or multiple, but it can not be indeterminate or general (e.g. trading generally). The purpose of the S.A. must be legal and not contrary to morality. Addendum of new object requires amendment of the statute.

- *For the headquarters of the company*

As headquarters of the company must defined a municipality or a community of Greek Territory. Changing the headquarters of the S.A. (not necessarily of the municipality or the community, but also of the address of establishment) requires amendment of the statute.

- *For the duration of the company*

The S.A. must have a defined duration after which is dissolved. The law does not specify maximum or minimum limit of duration, but must be an expiration date definitely. The duration of the S.A. can be extended by decision of the G.A. which must be taken before the end of duration and with quorum and majority.

- *For the amount and manner of payment of the share capital*

The S.C. is always indicated in money even if the shareholders' contributions consist in kind. The part of the capital that is equal to the minimum limit of the S.C. of the S.A. (today 60.000 euros) must be paid either in cash or in kind when the company is being constituted.

- *For the type of shares, the number, the nominal value and their issue*

The shares of the S.A. can be bearer or registered depending on what the founders want. It should be considered that under defined laws becomes mandatory, based on either the subject of the S.A. or the structure of its assets (e.g. equity investment in urban real estate), that the shares must be registered. The shares' nominal value can not be less than 0,30 euro and more than 100 euros.

- *For the number of shares of each class if there are several classes of shares*

Shares can be common or preference with or without voting right.

- *For the conversion of registered shares into bearer or bearer into registered.*

The statute may permit or prohibit the conversion of registered shares into bearer or bearer shares into registered.

- *For the convocation, constitution, operation and responsibilities of the Board of Directors.*

The issues of the B.D. are defined by articles 18, 19, 20, 21, 22, 23, 24 of L. 2190/20. Summarily in the statute must be determined the number of Board members (minimum and maximum), service time which can not exceed six years. Also, the Board members are always re- elected and freely revocable. The B.D. is permitted, if it is defined by the statute, to meet at a location outside the domestic headquarters.

- *For the convocation, constitution, operation and responsibilities of General Assemblies.*

These issues are defined by the ordinances of Articles 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35c of L. 2190/20. In addition to the mandatory ordinances of these Articles, the statute can determine other persons (except for the company's fund, Deposits and Loans Fund and banks in Greece) in which the shares can be deposited in order their holders to take place in the assemblies.

Also, the statute can determine other issues (except for those specified in Article 29 par. 3) for which, in order a decision to be taken, quorum is required, and issues (except for those specified in par. 2 of Article 31) for which, in order a decision to be taken, majority is required.

- *For controllers*

Relatively the ordinances of articles 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40e.

- *For the shareholders' rights*

Relatively the ordinances of Articles 8, 9, 10, 11, 12, 13, 14, 15, 16, 17.

- *For the Balance Sheet and the distribution of profits.*

Relatively the ordinances of Articles 41, 42, 43, 44, 45, 46a.

- *For the dissolution and the liquidation of its property*

Relatively the ordinances of Articles 47, 48, 49.

Also, the statute mandatory must state,

- *The personal data of natural or legal entities who signed the statute of the company or in the name and on behalf of whom signed the statute.*

This condition is obvious only by the fact that the statute of the S.A. is drawn up by a notary and consequently the writing of all the data of the contractors is required. If among the founders there is a legal entity, the statute contains the legalization of its representatives.

- *The total amount, approximately, of all costs required for the constitution of the company and charge it.*

Such costs are the fees of the notary and the lawyer, the Tax Capital Accumulation, the fees of the statute's publication in the Government Gazette and in case of contribution in movable, the transfer estate tax.

Statutes' ordinances

Apart from the above which regard to the mandatory content of the statute and come of Article 2 of L. 2190/20, the statute may include ordinances, of optional character which are necessary for the start and the continuance of the S.A. operation.

Such ordinances in statutes are,

- The definition of the members of the first Board of Directors until the first ordinary General Assembly, but without being simultaneously a constitution, i.e. to be designed the President, the Vice-President, the CEO, etc. But recently, in many cases the Administration accepts statutes which define the Board with its simultaneous constitution.
- The definition of controllers of the first corporate usage.
- The grant of right to the members of the Board to perform with any property, activity in areas related to the purpose of the S.A. and consequently competitive, until the convergence of the first General Assembly which will ultimately decide if it will grant to

the members of the Board this right.
- The grant of right to the Board or the G.A. of the corporate capital's increase according to the terms of Article 13 of L. 2190/20.
- The possibility of being elected by the Board of a temporary member until the next G.A. in case of death resignation or any other reason for a Board's member retirement. This possibility exists if the remaining members are at least three.
- The assignment of the S.A.'s representation either generally or for certain actions to one or more members of the Board or to other persons.

Cooperatives

Necessary procedures and formalities,

- Finding company's installation and operation place
- Set up the statute of the cooperative, which must be submitted for approval and registration to the Cooperatives Records of the Country Court of its headquarters.
- Registration in the relevant Chamber

The registration in the relevant Chamber requires:

- Registration form
- Copy of the statute endorsed by the Country Court
- Copy of the minutes of the General Assembly with which the members of the Board were elected and the minutes of the Board for the constitution and the delegation of the cooperative's representation
- Copy of Special Licence
- Opening statement and endorse it at the competent tax office.

Social enterprise

Social Cooperative Enterprise- Social Economy

By the L. 4019/2011 was introduced a new sector of business activity with emphasis on the parallel service need of society and the harmonization of the national and the community legislation. In this context was defined the sector of Social Economy and the new corporate form, the Social Cooperative Enterprise.
Here are the main features of this new form.

Basic features of the S.C.E.

The Social Cooperative Enterprise (S.C.E.), as a carrier of the Social Economy, is an urban cooperative with social purpose and has by law trade property. The members of the S.C.E. can be either natural entities (only) or both natural and legal entities. Its members participate in it by

one vote, regardless the number of cooperative shares they hold.

Categories of Social Cooperative Enterprises

Depending on their specific purpose, the Social Cooperative Enterprises are divided into the following categories:

a) Social Cooperative Integration Enterprises, which concern the integration in the economic and social life of people who belong to Vulnerable Population Groups. Minimum percentage of 40% of those Enterprises' employees, necessarily belong to Vulnerable Population Groups. Social Limited Cooperatives (S.L.C.) are considered ex officio Social Cooperative Integration Enterprises.

b) Social Cooperative Social Care Enterprises, which are related to the production and providing of products and services of social-welfare nature in specific population groups, such as elderly, infants, children, people with disabilities and people with chronic diseases.

c) Social Cooperative Enterprises of Collective and Productive Purpose, which concern in goods' production and services for the coverage of the needs of collegiality (culture, environment, ecology, education, public utility, development of local products, maintenance of traditional activities and occupations, etc.) which promote the local and collective interest, promotion of employment, empowerment of social cohesion and empowerment of local or regional development.

Register of Social Entrepreneurship

The S.C.E. are compulsorily being registered in the Register of Social Entrepreneurship. The submission of the application and the supporting documents (statute, etc.) can be done via internet. The submission of the commencement of operations of the S.C.E. to the competent Tax Office is done after the grant of the registration certificate in the Register of Social Entrepreneurship. The registration number of Social Cooperative Enterprises in the registry is a main element of the company and is indicated in all the documents with the company's name and on its cachet.

Constitution of Social Cooperative Enterprise

The constitution of the S.C.E., the relationship between its members, the administration, its operation, and its dissolution are governed by L. 1667/1986 (A' 196), unless it is defined otherwise in Law 4019/2011. For the constitution of the S.C.E. is observed the establishment procedure of a civil partnership. The statute must be signed by at least seven persons, if it is a S. C. Integration E., and by five at least if it is a S.C. Social Care E. or Collective Purpose. For the constitution can be used a standard statute, which is available in electronic form on the website of the Ministry of Labor and Social Insurance.

Members-Cooperative Shares

The company's capital is divided into cooperative shares. The number of shares and their nominal value, which is same for each portion, are defined in the company's statute. These shares are distributed to members according to their contribution. Shares may be received by legal entities up to the rate of 1/3 of the total capital.
The participation of Local Authorities (L.A.) and legal entities of public law (L.E.P.L.) which come under them in S.C.E.'s capital is not allowed.

In S.C. Integration E. can participate L.E.P.L. with the approval of the supervising carrier.
The participation of a nature entity with the property of a member-partner, in a Social Cooperative Enterprise, by itself does not give to him trade property and does not create any insurance or tax obligations.

Certainly, in this case he can not receive shares during the profit distribution. S.C.E.'s members have at least one mandatory cooperative portion, as minimum monetary participation in company's capital, the amount of which is freely determined by the statute and is equal for all members.

In the statute may be anticipated the acquisition of optional portions without voting right. The acquisition of cooperative portions is made in cash.

Beyond the amount paid for the acquisition of cooperative portion, the S.C.E.'s member has no other liability to its lenders.

Administration

The administration of Social Cooperative Enterprise belongs to the Administration Committee, composed of at least 3 members (President+2). The Administration Committee shall meet regularly, at least once a month, or extraordinarily after invitation of 1/3 of its members. The Administration Committee is elected by the General Assembly of its Members-Shareholders and the duration of its service can not be less than 2 and more than 5 years.

Profit distribution

Profits of Social Cooperative Enterprise are not distributed to its members, unless these members are employees in it.

Profits are allocated annually by 5% for the configuration of reserve, by up to 35% are distributed to its employees as productivity motivation according to the statute and the rest is allocated for the business activities and to create new jobs.

Resources

The resources of the S.C.E. consist of the company's capital, third's donations, income from the exploitation of property, income from business activities, subsidies from the Public Investment Program, European Union, international or national organizations or Local Authorities of A and B grade, income from other programs, funds from bequests, donations and concessions of usage of assets and every other revenue from the development of its activities, according to its statute.

Financial Tools

The S.C.E. and the S.L.E. of Article 12 of L. 2716/1999: a) have access to the funding from the Social Economy Fund, which is established by a joint decision of Ministers of Finance, Development, Competitiveness and Shipping and Labor and Social Insurance, in accordance with subparagraph c' of paragraph 1 of Article 4 of the Second Article of L. 3912/2011 (A' 17), as well as from the National Fund of Entrepreneurship and Development and b) may be included in L. 3908/2011 (A' 8).

Furthermore, in terms of financial motivations and support measures of Social Cooperative Enterprises the following are applied:

1. Employees in Social Cooperative Enterprises, who belong to Vulnerable Population Groups and receive welfare benefits or rehabitation benefits or any kind of hospital expense or benefit, continue receiving those benefits concurrently with their remuneration from the S.C.E.

2. The S.C.E. is not subjected to income tax for the percentage of its profits which is available for the formation of reserve and its activities as defined in Article 7. The percentage of profits of S.C.E. which is distributed to employees is subjected to withholding of income tax, according to the current tax rate of the first, after the tax-free amount, income scale of the scale of paragraph 1 of Article 9 of L. 2238/1994 (A' 151), as applied.

By the withholding of this tax, the tax liability is over, as far as the profits of the S.C.E. and its employees are concerned, who belong to Vulnerable Population Groups.

3. The S.C.E. can be integrated into programs of entrepreneurship supporting, in programs of Manpower Employment Organization (M.E.O.) to support work and in any kind of active labor policies.

Private Capital Company (IKE or PCC)

With the L. 4072/2012 (G.G. A' 86) (Part Two- Articles 43-120) was established a new corporate form, the Private Capital Company (P.C.C.).

Here are some basic information about this new corporate type and information on the procedure which must be followed for its constitution.

Main characteristics of P.C.C.

P.C.C. is capital with legal entity and it is trade even if its purpose is not trade business. It is only liable itself with its property for the business liabilities, excluding the liability incurred primarily by the partner with guarantee contributions (Article 43 par. 2 and Article 79).

Its main feature is that it requires the participation of at least one partner by taking at least one share which corresponds to capital contribution (Article 77) with value of at least 1 euro. However, is possible the participation of partners and receiving shares by other kinds of contributions: outcapital (Article 78) and guarantee (Article 79) whose value can not exceed 75% of the amount of the liability which undertakes the partner towards the lenders of the company.

I.e. if the partner undertakes the guarantee contribution towards 100.000,00 euros loan, then the value of the shares which will be given to him can not exceed 75.000,00 euros and this amount will be included in the total capital.

Furthermore, the following are noted:

1. Company's duration is fixed and if the exact duration is not specified in the statute then the duration is defined in twelve years, while extension of duration is possible with partners' decision and if the decision does not mention the time, it is twelve years.

2. For the company's liabilities only the company is liable with its property, except from the case that is referred in Article 79 of L. 4072/2012, providing the liability of the partner who participates with guarantee contribution and who undertakes the obligation to third to pay the company's debts up to the amount of his contribution.

3. The publicity of the company is held either at the company's website, whose development is mandatory, or to the G.C.R. (General Commercial Register), without requiring publication in the G.G./I.S.A.-LTD & G.C.R.

4. Is constituted and amended by a simple private document, which is checked by the G.C.R. Services, i.e. without requiring notarial document, except from the cases where need arises due to outcapital contributions (e.g. real estate).

5. P.C.C. is trade even if its purpose is not trade activity. P.C.C. is trade company at the standard criterion. Regarding P.C.C.'s members, those only from the fact of their participation in the company, do not acquire trade property. In order to happen this, the partner of the P.C.C.

must have active participation in company's work (e.g. administrator).

Establishment of Private Capital Company (P.C.C.)

Kinds of contributions

Contributions in the capital of a P.C.C. are separated into capital, outcapital and guarantee. The term capital contributions means all the contributions in money or fixed assets etc which are reflected in the company's statute based on their current value or the value agreed during the statute constitution.

For the company's establishment should be at least one share corresponding to a capital contribution.

The "outcapital contributions" consist of benefits which can not be subject of capital contribution, such as requirements arising from undertaking obligation of works' implementation or services provision.

These benefits must be specified in the statute and transacted for certain or vague period.
The value of the contributions undertaken, either during the company's constitution or subsequently is defined in the statute.

The guarantee contributions are contributions consisted in taking responsibility towards third for company's debts up to the amount that is specified in the statute.
The value of each guarantee contribution is defined in the statute and can not exceed seventy five percent (75%) of the amount of liability.

These contributions get shares of the same nominal value to those of capital contributions, participate in profits, they do not consist capital and the total number of shares, if there are any outcapital contributions or guarantee contributions, is in each case greater than the number of corporate shares which correspond to the company's capital.

Name

The name of a private capital company is formed either by the name of one or more partners or by the subject of the company, and also is allowed the usage of an imaginary name.
In the name of a private capital company must be included in any case the words "Private Capital Company" or the abbreviation "P.C.C."

In case of the company is single-member, in its name must be included the words "Single-member Private Capital Company" or "Single-member P.C.C."

This indication is added or removed with registration in G.C.R., by the administrator, without

changing the statute.

The name of the company can be attributed totally in Latin characters or in a foreign language.

If it is attributed in English should contain the words “Private Company” or the indication “P.C.” and if it is single-member the words “Single Member Private Company” or “Single Member P.C.”.

P.C.C establishment process

Private Capital Companies are exclusively established on One-Stop Services. One-Stop Services are G.C.R. Services operating in Chambers and Certified as One-Stop Citizen Service Centres (C.S.C.).

In special cases for which the statute should be constituted by a notarial document, the One-Stop Service is the authorized notary who will constitute the notarial constitution.

For the faster service of the establishment process of a P.C.C. can be found on the website of General Commercial Registry (www.businessportal.gr) the list of entities that act as One-Stop Services per kind of company, address, information contact and hours of operation and payment methods that they support.

Details for the notaries who act as One-Stop Services can also be found on the website of the Coordination Committee of Notarial (www.hellenicnotaryassociation.gr).

By designing the whole process has been achieved significant saving of resources and time for completing the process of a P.C.C.’s establishment. In cases that licence or relevant licenses (establishment, etc) are not required, then the establishment of a P.C.C. can be done within a day.

Purpose of P.C.C.

For the purpose which may pursue the private Capital Company, the law sets only one restriction.

P.C.C. is not allowed to conduct activities for which has been designated by law another exclusive corporate type (e.g. banking and insurance operations may be performed only by incorporated companies).

So, in contrast to the above ordinance, every work for the conduction of which the law does not require a certain type of company, can be performed by P.C.C.

Corporate Transparency

On each form of the company must necessarily be written its name, the corporate capital and the total amount of guarantee contributions of Article 79, the company’s G.C.R. number, its

headquarters and its precise address, even if the company is under liquidation. Also, the company's website is written, according to the following paragraph.

The private capital company, within a month of its constitution, must obtain a website, where should appear under the care and responsibility of the administrator, the partners' names and addresses, with each one's contribution category, the person who administrates, and the information of the previous paragraph. In G.C.R. is registered the company's website, too.

More companies can share a website, if its content is clearly distinguishable per company.

While the company does not have a website, is obliged to give or send free and without delay the information of the previous paragraph to anyone who requests them.

Annual Financial Statements, Profit Distribution

The private capital company composes annual financial statements that include: (a) the balance sheet, (b) the profit and loss account, (c) the appropriation account, and (d) appendix that contains all necessary information and explanations for the better understanding of other statements, and the annual report of the administrator for the corporate activity during the year ended.

The statute may provide the constitution of more financial statements. The statements are signed by the administrator and are integrated.

Also, once a year, at the end of the fiscal year, the administrator of the company must constitute inventory of all its assets and liabilities, with detailed description and valuation. The annual financial statements are compiled by its administrator based on this inventory.

With care of the administrator are published the annual financial statements to the G.C.R. and the company's website within three (3) months after the end of the fiscal year.

Relatively are applied the ordinances of paragraphs 1 and 2 of Article 43 of L. 2190/1920.
For the approval of the annual financial statements and the profit distribution is required partners' decision. Each year, before every profit distribution, must be held at least one twentieth (1/20) of the net profit, for configuration of capital reserve.
This reserve can only be capitalized or offset against losses.

Additional reserves can be provided by the statute or determined by the partners.

To distribute profits, they must be derived from the annual financial statements. The partners determine the profits to be distributed.

The statute may define minimum mandatory profit distribution. The participation of the partners

in the profits is proportional to the number of shares that each partner has. The statute may provide for a special period, which does not exceed ten years, that a partner or partners do not participate or participate limited in profits or to the proceeds of liquidation or have the right to receive additional profits.