

Corporate Law Alert

New corporate disclosure rules

Law 4403/2016, that was published on July 7, 2016 in the Government's Gazette, implemented into Greek corporate law the provisions of the Directives 2013/34/EU and 2014/95/EU on the annual financial statements, consolidated financial statements and related reports and on the disclosure of non-financial and diversity information by certain large undertakings and groups respectively. As a result, the provisions of Law 2190/1920, on joint stock companies, Law 3190/1955, on limited liability companies and law 4072/2012, on private companies, that relate to the disclosure requirements are amended and supplemented. Same rules will apply to partnerships in case all their direct or indirect partners are corporate entities.

The new provisions:

- Bring more clarity on the required content of the management report and its scope variances, depending on the size of the company and its character as a public interest entity or not.
- Introduce the requirement, for large undertakings with shares admitted for trading on a regulated market, to include in their corporate governance statement a description of their diversity policy.

- Extend the period during which the ordinary shareholders meeting must be convoked: Regardless of whether the entity is a joint stock company, a limited liability company or a private company, the ordinary meeting of its shareholders or partners must be convened by the 10th calendar day of the 9th month following the end of the financial year (as opposed to the end of the 6th month, 3rd month and 4th month, which was the case for each one of these legal forms of entities respectively). A disclosure requirement is also introduced for unlimited partnerships whose all direct or indirect partners are corporate entities. In their case it applies a disclosure deadline of 9 months following their financial year end.
- Recognize the General Commercial Registry as the only means of publication of the financial statements, the management report and the statutory auditor's opinion. In addition, as before, financial statements prepared in accordance with the IFRS will be posted on the site of the company and remain there for at least 2 years. Furthermore, listed companies will continue filing their financial statements with the Securities Commission as well.
- Establish for companies belonging to the extractive industry or the wood logging the obligation to publish a report of payments made to governments.

The law applies to the disclosure requirements for financial years ending after its promulgation date (July 7, 2016). Especially, for the financial year that ended on December 31, 2015, the ordinary shareholders meeting must convene by the end of the second month following the filing due date of the corporate income tax return. Given that the filing due date of the corporate tax returns of entities with fiscal year end December 31, 2015 was eventually extended to July 25, 2016, the ordinary meetings of these entities must take place until the end of September 2016 and from the next year onwards by September 10. In accordance also with the new provisions, the financial statements approved and the management report must be published at the General Commercial Registry within 20 days from their approval.

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