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## LEGAL BRIEFING – Corporate

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### Both online and tailor-made: the new way to dress a Private Company with AoA in Greece

With the issuance of the Circular No 129284/04-12-2020 by the Ministry of Development & Investments, it was officially announced that the digitalized procedure for the incorporation of a “customized” Private Company in Greece, as envisaged in Law 4712/2020, has now come to life.

Under the previous legal regime, for the establishment of a Private Company, the relevant founding act (embodying the company’s AoA) could be compiled in the following three ways:

- by notarial deed, before a notary public acting as a One Stop Shop; obligatorily, if there was a special provision of the law or case of a capital contribution in kind for which the law prescribed such deed when transferred, and optionally, if the founders preferred it;
- by means of a private document, submitted to the GE.M.I (General Commercial Registry) service of the competent Chamber of Commerce, acting as a One Stop Shop as well;
- digitally, at the portal of the Electronic One Stop Shop, provided that the founders used the available “Model AoA” without any deviation from their exclusive content, that is, they were restricted to filling out the minimum elements that the law requires in a Private Company’s AoA.

Today, by virtue of the recent reforms that art. 24 of Law 4712/2020 and the subsequent secondary legislation brought to Laws 4072/2012 and 4441/2016,

the option of a private document submitted before the competent administrative authorities no longer exists, and these authorities cease to function as One Stop Shops for the constitution of a Private Company. Instead, the establishment of a Private Company is performed exclusively on the website of the Electronic One Stop Shop, which now offers two different possibilities to the founders: they either simply fill out the Model AoA, or use the new “Model AoA with additional content”, which consists in the inclusion of additional articles, freely formulated by the founders to fit their ad hoc needs and desires, on condition that these do not thusly amend or override the elements of the minimum required content and do not run counter to provisions of mandatory law (art. 9a of Law 4441/2016).

With the enriched Electronic One Stop Shop, the Private Company, already the most flexible and popular business entity in Greece since its introduction in 2012, is rendered even more privileged and attractive – especially for small and medium-sized enterprises – compared to the other two capital corporate types (the Limited Liability Company and the Société Anonyme), where a customized AoA can only be drafted by means of a notarial deed, as the private document and online options are limited by the corresponding Model AoA. It should be noted that a notarial deed is still required for Private Companies in the cases where it was obligatory before (e.g. if a real estate asset is contributed), and might as well be sought by the founders optionally, if they wish to proceed with a form typically associated with increased responsibility and prudence (art. 49 of Law 4072/2012).

Providing the possibility to set up a company with tailored AoA through a fully digitalized process can be viewed as the culmination of a legislative endeavor to simplify the bureaucracy surrounding corporate establishment in Greece, following the introduction of One Stop Shops and Model AoA. Apart from the longevity it is bound to have in a digital era, the new regulation will prove particularly useful in the short term, as the covid-19 pandemic and its effects on public services call for more and more electronic alternatives to traditional administrative procedures.

One could only hope that the Ministry of Development & Investments will extend this system to more corporate types, publishing more “Model AoA with additional content”, as it is entitled to do pursuant to the new art. 9a of Law 4441/2016.

