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LEGAL BRIEFING – Corporate

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The new bill regarding teleconference meeting procedures for private legal bodies and the establishment of private capital companies by electronic means

A. MEETINGS OF COLLECTIVE BODIES OF LEGAL ENTITIES BY ELECTRONIC MEANS

On Monday the 27th of July, the Bill of the Ministry of Development and Investments was submitted for discussion and voting in the Plenary Session of the Parliament, which paves the way for the electronic establishment of Private Capital Companies, as well as for the conducting of electronic meetings of private legal bodies.

Following the coronavirus outbreak, it became crucial to introduce some temporary regulations, both for the remote operation of the collective bodies of legal entities and also for the electronic establishment of Private Capital Companies through the One-Stop Online Service, aiming towards flexibility, reduction of time and cost and increase in the number of participants in the collective processes. These regulations will be consolidated with the bill under discussion, in order for the enterprises to take advantage of all the aforementioned.

Until recently, the provision of this possibility in the articles of association used to be a legal condition for holding meetings of the collegial bodies of legal entities under private law by teleconference.

The temporary arrangement of meeting by teleconference, despite the fact that the articles of association did not provide as such, it is now made permanent.

Specifically, the corresponding Laws 4072/2012 and 4548/2018 are amended, so that from now on it is sufficient to provide the teleconferencing procedure in the invitation. Respectively, a teleconference can be held with the consent of all shareholders, but also at the request of any partner for himself, if he lives in another country or invokes another important reason.

Especially for the General Meeting of SAentities, a meeting can be held by electronic means if this is decided by the Board of Directors.

Nonetheless, there are some rules that need to be followed when conducting meetings by electronic means. For example, the company must ensure the identity of the participants, the security of the connection and also provide the prearrangement of attending the meeting, expressing an opinion and voting on the issues.

B. ESTABLISHMENT OF PRIVATE CAPITAL COMPANY ONLY BY ELECTRONIC ONE-STOP STATION

The Law under discussion amends the status of the Law 4072/2012 and the Law 4441/2016 and sets the possibility of establishing a Private Capital Company exclusively by electronic means, except in cases where a notarial document is required by law in specific circumstances (e.g. when the notarial form is required for the valid transfer of the assets of the company). The new provision aims to reduce the time and cost of setting up a Private Capital Company, which are known for their flexibility and operational simplicity. The online establishment is made either by using the standard articles of association with only a minimum mandatory consent or by using the standard articles of association with additional consent, where the founders can regulate more issues related to the operation of their business.

