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COMMERCIAL REAL ESTATE OWNERSHIP STRUCTURES

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Owners of commercial real estate in Greece can be either **individuals** or **legal entities**. In order to acquire a property - especially when it is of a high value - the main choice is to establish a company, the form of which is chosen on a case-by-case basis with regard to the tax treatment.

Mainly, a capital company is chosen with the following main characteristics:

➤ **Societe Anonyme (S.A.)**

The law 4548/2018 (as amended by newer provisions of law 4587/2018, law 4635/2019 & law 4811/2021 and is in force) reformed the law on societe anonyme.

The SA is a legal entity whose rights and obligations derive from the law and from the articles of association.

The SA is a commercial company even if the object of its business is not commercial operations.

Shareholder composition - It is constituted by one (single person) or more persons, individual or legal, Greek or foreign, by notarial deed, or private document if a standard statute



is adopted. The document is also a notarial deed if a special provision of law so requires, if assets are contributed to the company for the transfer of which this form is required, or if the notarial deed is chosen by the parties.

Share capital - Minimum amount of 25.000,00€

Shares - registered shares

Duration - Fixed or indefinite. If the duration is not specified in the articles of association, it is considered to be for an indefinite period.

Board of Directors - 3 to 15 members

However, by law there is the possibility of a single member management body for representation and management, provided there is a provision in the articles of association - the Advisor-Manager - who is always a natural person and elected by the General Assembly, provision with practical application to small companies.

The financial liability of shareholders is limited to the amount of their participation in the formation of the share capital.

➤ **Limited Liability Company (Ltd)**

The Limited Liability Company is regulated in Greece by Law 3190/1955 (as amended by Laws 4156/2013, 4541/2018, 4601/2019 & 4811/2021 and is in force). A Ltd is a commercial company even if the object of its business is not commercial operations.

Corporate composition - It is constituted by one (single person) or more persons, individual or legal, Greek or foreign.

Possibility of establishing a Ltd with a private document if a standard statute is adopted, in addition to the notarial deed. However, the amendments to the articles of association following the formation are in any case made by a notarial deed.

Capital- The capital of the company is determined by the partners without limitation.

Duration - Mandatory for a fixed term

It has two bodies, the General Meeting of the partners and the manager (or managers), who need not be a partner.

Only the Ltd itself is liable for its debts with its own property.



➤ **Private Capital Company (IKE)**

The Private Capital Company is regulated in Greece by Law 4072/2012 (as amended by Law 4541/2018 and is in force).

It can also be established by a private document which is verified by the Hellenic Business Registry (G.E.M.H.), i.e. no notarial document is required (unless assets are contributed to the company, for the transfer of which a notarial form is required).

Corporate composition - Composed of one (single person) or more persons, individual or legal, Greek or foreign.

Capital - No minimum amount of capital (from EUR 1)

Duration - The duration of the IKE is for a fixed term, with a maximum duration of twelve (12) years from its establishment. If not specified in its articles of association, it lasts for twelve (12) years.

The organs of the company are the partners' meeting and the manager(s).

Management - The company is managed and represented by one or more managers, natural person, partner or not.

The Manager is personally, civilly and criminally liable to the tax and insurance authorities.

Only the company is liable for the company's liabilities with its own property and not with the property of the partners. However, with the exception of partners who have made guarantee contributions, who are liable for the debts of the company up to the amount guaranteed

It is worth noting that in recent years in Greece, the form of the Private Capital Company (IKE) has been chosen to a large extent by real estate investors, for the reasons that it is easy to set up and operates at the lowest possible cost.

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