Reforming Business Registration in Greece

A CASE STUDY

Nicolas Conserva, Alessio Zanelli and Sagita Muco
This note was prepared by Nicolas Conserva (Private Sector Analyst, ETICI), Alessio Zanelli, and Sagita Muco (Senior Private Sector Specialists, ETICI) under the supervision of Sylvia Solf (Global Product Specialist for Business Regulation, ETICI) and Christine Qiang (Practice Manager, ETICI). We would like to thank Mr. Gerasimos Georgopoulos, the head of Company Law Unit and Greek Business Register (G.E.M.I.) in Greece, for providing most of the information included in the case study. Valuable contributions were also received from Lars Grava (Senior Private Sector Specialist, ETICI) and Aris Molfetas-Lygkiaris (Private Sector Specialist, ETICI) as well as Madalina Papahagi (Program Coordinator, DECSN), Goran Tinjic (Senior Operations Officer, ECCEU), and Reena Badiani-Magnusson (Senior Economist, EECPV).

For further information on this note, please contact Alessio Zanelli at azanelli@worldbank.org or Sagita Muco at smuco@worldbank.org.
Introduction

This case study explores the reforms of the business registration process implemented in Greece since 2005. It identifies lessons that can be valuable for public servants and policymakers in other countries, especially those who are considering reforming their business registration systems. The case study can also be useful to Greek policymakers and practitioners as they reform other areas of the business environment.

In 2004, Greek entrepreneurs had to complete several procedures and go through a burdensome court-based process to register a business. Over time, Greece enacted a number of reforms that greatly simplified starting a business through both radical and incremental changes in its business registration process. Creating a unified business registry, the General Electronic Commercial Registry (G.E.M.I.), and establishing an electronic one-stop shop (e-OSS) moved business registration away from the courts and progressively made it accurate, transparent, and accessible to the general public. At the same time, gradual adjustments of the registration process have gradually reduced the number of procedures, the cost, and the time needed to start a business (Figure 1).

Research suggests that streamlining business registration has the potential to support entrepreneurship, encourage the creation of new firms, and reduce informality, but of course needs to be considered in the backdrop of the broader business climate. This is particularly important for small and medium enterprises (SMEs), which are the backbone of the European economy but may lack the resources needed to comply with complex regulatory frameworks. From this perspective, establishing one-stop shops facilitates the registration of firms, which may be deterred by complex entry regulations. OSSs also have a positive impact on employment. Moreover, moving business registration away from the courts—that is, by making the process an administrative rather than a judicial one—positively affects firm creation and growth.

Modernizing the regulatory environment supports productivity and the reallocation of resources in favor of more dynamic firms. Setting up a favorable business regulatory environment strengthens long-term resilience and favors recovery from economic downturns. For these reasons, the reforms of the business registration process adopted in Greece, which are analyzed here, may contribute to facilitating economic recovery from the COVID-19 crisis.


Source: Elaboration based on Doing Business data.
Note: G.E.MI. = General Electronic Commercial Registry; IKE = private company.

In 15 years, Greece set up the European Union’s most efficient business registration process.

In the past 15 years, Greece has implemented a wide range of structural reforms aimed at modernizing the economy and regaining competitiveness after the fiscal crisis of the late 2000s. Such reform transformed the regulatory environment of the country, intervening on areas as diverse as business registration, liberalization of professions and economic activities, reforms and privatizations in the energy and transport sectors, the use of public real estate assets, and product market liberalization of upstream sectors.

---

becoming the European country with the easiest procedures required to start a business. The reform of business registration has progressively unfolded since the mid-2000s. In 2007, starting a new limited liability company required entrepreneurs to go through 15 procedures, which took 38 days to be completed and had an estimated cost of 21.7 percent of the income per capita (that is, around €4,200). In addition, entrepreneurs were required to meet a costly paid-in minimum capital requirement by depositing a substantial share of capital in a bank or with a third party—for example, a notary—before incorporation. Today, the same process requires just three procedures and four days. No paid-in minimum capital is required, and the overall cost that entrepreneurs face to start a company is estimated at 1.5 percent of the income per capita (around €250). Figure 2 shows the stark differences in registering a company in 2020 as compared with in 2007.

**Figure 2.** Greece significantly streamlined its business entry process since 2007

<table>
<thead>
<tr>
<th>Procedures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Starting a Business in 2007: 15 procedures, taking 38 days with a cost of €4,200 and paid-in minimum capital required of €22,500</td>
</tr>
<tr>
<td>Publication of Articles of Incorporation</td>
</tr>
<tr>
<td>Obtain a Tax Registration Number</td>
</tr>
<tr>
<td>Obtain a stamp from the Lawyers’ Pension Fund</td>
</tr>
<tr>
<td>Register at the Chamber of Commerce and Industry</td>
</tr>
<tr>
<td>Obtain certification by the Lawyers Welfare Fund</td>
</tr>
<tr>
<td>Starting a Business in 2020: 3 procedures, taking 4 days with a cost of €250 No paid-in minimum capital required</td>
</tr>
</tbody>
</table>

Source: Elaboration based on Doing Business data.

---

9 The ease of doing business score helps assess the absolute level of regulatory performance over time. It captures the gap of each economy from the best regulatory performance observed on each of the indicators across all economies in the Doing Business sample since 2005. In particular, figure 1 is based on the Starting a Business indicator, which captures the time, cost, paid-in minimum capital, and number of procedures needed to establish a local limited liability company. More information about the rankings and methodology of Doing Business can be accessed at [https://www.doingbusiness.org/](https://www.doingbusiness.org/).

10 The equivalent legal forms in Greece are known as ΕΠΕ (LLC) and IKE (private company). In 2007 IKE had not yet been introduced as a form; hence, Doing Business measured the time and cost required to register an ΕΠΕ.

11 For the case study analyzed by Doing Business, Greek entrepreneurs had to deposit a sum equal to 116 percent of the income per capita in the bank. For more information, see [https://www.doingbusiness.org/en/methodology/starting-a-business](https://www.doingbusiness.org/en/methodology/starting-a-business).

12 Sources: Doing Business 2020—Starting a Business indicator, various years, and World Bank data, gross national income per capita (current local currency unit).
The reforms adopted in the past 15 years have progressively streamlined the business registration process in Greece and allowed businesses to adopt more flexible corporate structures, fostering greater dynamism in business formation.

The progressive modernization of the business registration process started in 2008 with the adoption of the Law on Measures to Reduce the Energy Consumption of Buildings and Other Provisions no. 3661/2008, which decreased the minimum capital requirement, lowered the cost of the capital tax, and reduced the time needed for the publication requirement. Major change in the business registration process came in April 2011, with the establishment of the unified national business registry, G.E.M.I. (http://www.businessportal.gr/). Until then, a court-based registration process was in place and a unified business registry did not exist. Depending on the type of legal form being established, there were different paper-based procedures to be completed in person to register a new company with each relevant authority, as there was no mechanism in place that allowed authorities to exchange information with one another. The court could reject a business name and its registry was paper based, with no ability to automatically search for information.

Moving business registration out of the courts through the establishment of G.E.M.I. paved the way for other reforms that were subsequently implemented. The registry was set up in the form of an electronic platform that interconnected several government agencies, allowing certified notaries to register new companies in a more expedited manner on behalf of company founders. Furthermore, each chamber of commerce established a local G.E.M.I. branch, available to the general public for business registration. The legal framework for the G.E.M.I. digital registration platform was outlined in Law on General Commercial Register (G.E.M.I.) and Modernization of the Chamber Legislation, which established the business registry, although these provisions were implemented only in 2011. The launch of the G.E.M.I. portal in April 2011 led to a substantial change in business registration, by enabling individuals to interact with the chamber of commerce, pay the registration fees, and acquire tax and social security compliance certificates, thus dramatically reducing the number of interactions required.

Another crucial reform was the introduction of a simplified and more flexible corporate legal form, the private company (IKE), thanks to Law on Improving the Business Environment, adopted on April 1, 2012. The IKE company provides important advantages for entrepreneurs regarding—but not limited to—the registration process. An IKE company can be incorporated based on a private agreement by using standard articles of association, while at the time of its introduction, the form of limited liability company available to Greek entrepreneurs required an expensive notarial deed. The IKE company does not require entrepreneurs to deposit the paid-in minimum capital, it involves fewer procedures, and it requires a much lower cost of registration. In addition, this legal form provides advantages that go beyond the registration process. In particular, an IKE company entails simplified accounting requirements without the mandatory use of auditors. It also has a much simpler governance structure based on simple majority voting, different from the limited liability company (ΕΠΕ) that is based on a complex qualified majority. Similarly, IKE companies are subject to fewer social security contributions toward the Unified Social Security Agency (EFKA), because the manager of the company is the only person required to be insured. Conversely, all the members of an ΕΠΕ company are required to pay social security contributions. Finally, the IKE legal form offers more flexible procedures when it comes to the restructuring and liquidation of the company.

---

13 The capital concentration tax required company founders to pay a tax to the local tax authority equal to 1 percent of the total company capital within 15 days from the signature of the articles of association. The imposition of the capital concentration tax upon the incorporation of legal entities has been repealed by art. 1, para. F, subpara. F22. See https://www.kodiko.gr/nomothesia/document/96016.
14 Before the 2008 reform, the publication of the articles of association in the Official Gazette (FEK) could take about one month. Article 16, para. 2, of Law 3661/2008 required publication of a summary of the corporate agreement on the National Printing Office’s website within three working days. See https://www.kodiko.gr/nomothesia/document/42079.
15 These agencies are the Business Register (G.E.M.I), the Tax Authority (IAPR), the Unified Social Security Agency (EFKA.), the Citizen Database (ERMIS), and the OSS (Notaries & Services).
18 This is the Εταιρεία Περιορισμένης Ευθύνης (ΕΠΕ). More recently, the possibility of incorporating a company based on a private agreement and standard articles of associations has been introduced for ΕΠΕ companies too.
19 The capital required to start an IKE is €1.
Because IKE offers far greater flexibility to entrepreneurs and imposes significantly lower compliance costs, this legal form is a more attractive option for entrepreneurs. Under the new legal form, the business registration process was made much simpler and has been successfully received by Greek entrepreneurs. Since 2012, IKE has been the most-used legal form for the registration of new companies. The IKE legal form contributed to the increase of the total number of active companies, and it currently represents almost 25 percent of the businesses active in Greece (see figure 3). Furthermore, IKE was the first legal form to become available for registration through the e-OSS in 2018.20

> > >

**FIGURE 3.** Active Companies by Legal Form

<table>
<thead>
<tr>
<th>Year</th>
<th>Active companies, thousands</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>200</td>
</tr>
<tr>
<td>2013</td>
<td>250</td>
</tr>
<tr>
<td>2014</td>
<td>300</td>
</tr>
<tr>
<td>2015</td>
<td>228,347</td>
</tr>
<tr>
<td>2016</td>
<td>238,637</td>
</tr>
<tr>
<td>2017</td>
<td>248,928</td>
</tr>
<tr>
<td>2018</td>
<td>259,219</td>
</tr>
<tr>
<td>2019</td>
<td>269,510</td>
</tr>
<tr>
<td>2020</td>
<td>279,801</td>
</tr>
<tr>
<td>2021</td>
<td>289,092</td>
</tr>
</tbody>
</table>

### a. Active companies

- **General partnership (OE)**
- **Limited liability company (EPE)**
- **Limited partnership (EEO)**
- **Private company (IKE)**
- **Société anonyme (AE)**
- **Others**

### b. Share of the total active companies (%)

<table>
<thead>
<tr>
<th>Year</th>
<th>Share of the total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>5%</td>
</tr>
<tr>
<td>2013</td>
<td>10%</td>
</tr>
<tr>
<td>2014</td>
<td>15%</td>
</tr>
<tr>
<td>2015</td>
<td>20%</td>
</tr>
<tr>
<td>2016</td>
<td>25%</td>
</tr>
<tr>
<td>2017</td>
<td>30%</td>
</tr>
<tr>
<td>2018</td>
<td>35%</td>
</tr>
<tr>
<td>2019</td>
<td>40%</td>
</tr>
<tr>
<td>2020</td>
<td>45%</td>
</tr>
<tr>
<td>2021</td>
<td>50%</td>
</tr>
</tbody>
</table>

Source: Elaboration based on data provided by G.E.MI. The analysis did not include sole proprietorships.

Real-time company formation is the latest critical change in the business registration process introduced in Greece. Establishing one-stop shops has enabled this option for business registration through the Law on Simplification of Business Start-Up Procedures, Removal of Regulatory Barriers to Competition and Other Provisions21 and the Joint Ministerial Decision no. 63577/2018.22 These regulatory changes enabled data exchange between government platforms, made data on businesses and other legal entities publicly available and searchable online, and transformed the G.E.MI. portal into an e-OSS available to the general public without intermediaries.23 Entrepreneurs can access the portal through alternative authentication channels, such as the credentials of the tax portal TAXISnet or the ERMIS citizen registry, and can autonomously register their new companies. They can do so on the e-OSS without intermediaries if they use the standard articles of association provided by the business registry,24 and they benefit from reduced registration fees.25 Alternatively, while the phasing-in of the e-OSS continues, company founders can register a new business through the OSS available at each territorial branch of the chambers of commerce, or through notaries who are certified to operate as business registration OSSs (see figure 4).

---

20 In particular, registration of the “sole-member” IKE was made available on the e-OSS in July 2018, whereas registration of IKE companies established by more than one founder was launched in September 2018.
23 The e-OSS can be accessed at the following link: https://eoms.businessportal.gr.
FIGURE 4. Interaction between entrepreneurs and G.E.MI to register a company

2. The Business Registry finalizes the incorporation in real time by exchanging data directly with...

1. Entrepreneurs can incorporate a company...

Source: World Bank illustration
Note: Graphic representation of the interaction between entrepreneurs and G.E.MI. Until April 2021, entrepreneurs were also required to obtain a company seal and to register separately with the Unified Social Security Agency (EFKA). Now the interoperability between G.E.MI. and the EFKA database has been established; thus a separate registration is no longer required. e-OSS = electronic one-stop shop; G.E.MI. = General Electronic Commercial Registry; OSS = one-stop shop.

The 2018 decree mandates the registration be completed within two working days, that is, on the same day of the application submission or no later than the next working day, assuming that supporting documents and data are correctly submitted and that legal requirements are fulfilled. The rollout of the G.E.MI. OSS portal started with the online registration of private companies (IKE) only, while electronic registration of other corporate legal entities and unincorporated entities has been progressively implemented at later stages.

The phasing-out of paper-based registration is scheduled to take place after a two-year trial period, with the aim of eliminating this option when more than 70 percent of start-ups of a given legal form are established electronically. This threshold has already been achieved for IKE companies, and the paper-based registration for this legal entity was phased out on December 1, 2020. As of that date, 8,721 out of 10,236 new private companies—about 85 percent—had been established through the e-OSS (see figure 5). Regarding the other legal entities, 65 percent of new limited partnerships (EE), 49 percent of limited liability companies (ΕΠΕ), and 56 percent of general partnerships (OE) were registered through the e-OSS in 2020. Conversely, only 31 percent of new joint stock companies have been registered through the e-OSS, because the electronic registration for this legal type was the last one to have been digitalized in February 2020. Once the phasing-out is completed, the e-OSS will be the only method available to entrepreneurs to register a business, although they will still have the option to rely on a certified notary to complete the registration on the e-OSS on their behalf.

27 In particular, the phase-in period started in July 2018 for sole-member private companies (IKE), in September 2018 for multimember private companies, in January 2019 for general partnership (OE) and limited partnership (EE) companies, in March 2019 for limited liability (ΕΠΕ) companies, and in February 2020 for joint stock companies (AE).
The launch of the e-OSS was the outcome of a successful collaboration between public and private stakeholders and of greater interconnection between public agencies that allowed for bureaucratic divides to be shifted into seamless channels.

Analysis of the process that led to establishing the electronic one-stop shop highlights the successful collaboration among different government bodies and private stakeholders involved in business registration. This close collaboration was key to developing an instrument that would benefit entrepreneurs by further reducing costs, time, and procedures needed to establish a company while offering an accessible and easy-to-use online portal that enhanced data accuracy and transparency.

The Company Law Unit at the Ministry of Development and Investments is the unit that administers G.E.MI. and it comprises eight staff members, four of whom are information technology (IT) specialists. The Company Law Unit coordinated the design and establishment of the e-OSS, which represented the culmination of a process of regulatory changes adopted in the past decade. The unit contributed to drafting the Law on Simplification of Business Start-Up Procedures, which established the e-OSS. The law included provisions that regulated the interoperability between G.E.MI. and the databases held by other government agencies, which enabled interagency data sharing. In particular, the law incorporated the so-called once-only principle, which mandates that citizens and businesses are asked to provide their data only once, as

---

public sector entities reuse and share data with each other when needed for the provision of government-to-business services. From a practical standpoint, when entrepreneurs submit an application to register a company with the e-OSS, the portal identifies company founders and obtains social and fiscal records directly from the relevant agencies, concluding the registration process in real time.

Regarding this aspect, it is worth noting that the number of government agencies interconnected with G.E.MI. continues to increase. For example, at the launch of the e-OSS in 2018, company founders were required to register with EFKA, separately, because the agency was still implementing the necessary IT infrastructure upgrades to become interoperable. As of April 2021, the interconnection between G.E.MI. and EFKA was enabled; thus the registration on the e-OSS is now sufficient to register with EFKA, as well, and a separate procedure is no longer required. Whereas system interoperability is currently mandated for every public agency in Greece to increase the quality of government services available to citizens, the e-OSS was the country’s first government online portal that implemented this feature.

The e-OSS portal was launched in 2018 as a result of the implementation of the Law on Simplification of Business Start-Up Procedures through decree 63577 in June 2018. The decree was drafted following consultations between government agencies and private stakeholders in developing the online portal. Thus, the decree included extensive details about the platform’s design. In particular, following the input of the Company Law Unit, an informal working group was set up. This group included registry employees; representatives of each government authority involved in the business registration process—such as the tax authority, IAPR; the social security agency, EFKA.; and the ERMIS citizen registry, which provides data for the authentication process—representatives of the agencies’ IT services; and private professionals such as notaries and accountants.

Furthering collaboration between government agencies around a unified objective spearheaded system innovation, setting in motion a positive cycle of reform

The working group collaborated on the design and the troubleshooting of the e-OSS and tackled the issues that came up in establishing the interoperability of databases. For example, through this process, the working group addressed issues such as the confidentiality and protection of personal data shared across agencies. Furthermore, the collaboration with agencies such as the citizen registry permitted the e-OSS to embed a number of alternative methods of authentication. Users can access the e-OSS through one of the following methods that comply with European Regulation (EU) 910/2014 (also known as eIDAS Regulation): (a) using their G.E.MI. portal credentials, (b) signing in through their tax account on TAXISnet, or (c) signing in through the citizen registry, ERMIS. Foreign entrepreneurs can obtain a local tax identification number (TIN) and be able to authenticate on the e-OSS through a digital onboarding program. Regarding this aspect, foreign entrepreneurs can use their eIDAS-compliant digital identities or passport data and finalize the registration by authorizing the collection of biometric data via video recognition.

Having multiple authentication instruments streamlines the registration process further. Entrepreneurs now provide a minimal amount of data about the company being registered, while the business registry sources data—for example, about the identity or social security of founding members—through its interoperability with relevant government databases. Moreover, the interoperability and the collaboration across public agencies also led to positive unintended outcomes that were not initially planned but that further streamlined company registration, such as the creation of a unified payment system. Therefore, G.E.MI.

---

34 It is worth noting that this type of authentication provides only a person’s first and last name, which is currently the only data shared among EU member countries. This aspect does not prevent users from registering a company on the e-OSS, but it implies that additional data are required at later stages. EU countries are working to share more data, such as personal ID and TIN numbers, through eIDAS and to achieve full interoperability across member states. G.E.MI. is already working on improving e-OSS access for EU citizens. Non-EU investors need to reach out to Greek embassies to obtain an equivalent document to be used for authentication purposes.
collects and distributes all the registration fees on behalf of each authority involved in the registration, and it accepts payments through credit and debit cards, money transfers, and other forms of international payment.

Similarly, the establishment of the e-OSS entailed the modernization of procedures through which company statutes are signed. The Law on Simplification of Business Start-Up Procedures introduced the use of electronic signatures to sign company statutes. Specifically, the e-OSS recognizes the legal validity of simple and qualified electronic signatures as per the eIDAS Regulation. A simple electronic signature is one that is “attached to or logically associated with other data in electronic form and which is used by the signatory to sign,” while a qualified electronic signature is defined as “an advanced electronic signature that is created by a qualified electronic signature creation device, and which is based on a qualified certificate for electronic signatures.”

Although a qualified signature provides the highest level of security and confidence about the identity of the user, it implies that entrepreneurs need to purchase a qualified electronic signature from a provider, thus incurring extra costs and time before being able to register their company. As a consequence, accepting qualified signatures only would not make real-time registration feasible. Thus, G.E.M.I. opted for accepting simple electronic signatures to make business registration accessible to all citizens, as each person’s identity is already established through secure methods of authentication on the e-OSS portal.

After the design stage of the e-OSS, a demo e-OSS was made available for a three-month testing period to notaries and accountants who would operate as users of the portal on a daily basis. These professionals evaluated the specific features of the platform and recommended additional tweaks, pointing out aspects of the online registration that needed improvements or that had been overlooked in the design phase, thus reducing potential issues and omissions in the registration process. Moreover, the close collaboration with intermediaries was important to overcome the resistance private professionals had about the e-OSS and how it would affect their role. With regard to the e-OSS platform, this process facilitated building a highly accessible user experience, which greatly facilitates business registration. In comparison to the previous G.E.M.I. portal launched in 2011, a major upgrade of the e-OSS was the creation of a common environment for every user of the platform. In fact, the old portal contained different environments and procedures for two categories of users—that is, government entities and notaries—affecting the overall accessibility of the portal and preventing the adoption of improvements that would benefit every user. Finally, in the last stage of the testing, the database of the demo platform was populated with data of 300 fictional start-ups to test the interoperability between the e-OSS and the databases of the different government agencies involved in the registration process.

From a technical point of view, the online portal has been mostly developed by relying on the Company Law Unit’s in-house IT capabilities. The business registry outsourced the development of the algorithm that underlies the real-time process of reservation and validation of company names. This aspect represented the main technical challenge in the design of the e-OSS and it is the main issue that generally causes delays in the registration of a new company for business registries. Verifying the validity of a company generally involves a human action to check whether the chosen company name is improper or contains mistakes, thus preventing the real-time completion of the business registration process. Therefore, an external firm designed a software that performs the aforementioned checks, automatically enabling real-time registration. Specifically, the algorithm compares and suggests company names by relying on dictionaries in Greek, English, and neo-Latin languages, filtering inappropriate and inadmissible names by checking against existing public databases, online sources, and the dark web. Furthermore, the algorithm contains features, such as alerts, that keep G.E.M.I. informed on potential issues and improvements of the process.

---

35 See art. 4, para. 1, literals (i) and (j), of Law 4441/2016: https://www.kodiko.gr/nomothesia/document/245220/nomos-4441-2016.
37 See art. 8, para. 4, of Law 4441/2016. The legal effects of both simple and qualified electronic signatures are established by art. 25 of the eIDAS Regulation. See https://eur-lex.europa.eu/legal-content/ga/ALL/?uri=CELEX:32014R0910.
Digital transformation through interoperability will unlock further improvements of the business climate, expanding the range of services offered to the public.

As the latest step of a 15-year process of continuous reforms and improvements (table 1), implementation of the e-OSS significantly improved business registration in Greece. Reforms beyond business registration are in progress and have the potential of further improving the broader business climate by promoting transparency and administrative efficiency. From this perspective, the commitment to leveraging interoperability and data exchange has been reinforced by the Greek government in its recent Digital Transformation Bible 2020–2025,\(^{40}\) which outlines the agenda for the digital transformation of the country based on six strategic axes. Through this agenda, the Greek government has pledged to keep pursuing constant and further improvements of the digital services delivered to its citizens. Services are delivered through the national portal gov.gr, which represents the sole digital gateway of all public services. To achieve the goals of the agenda, the government faces a critical need to continue on the path of reforms of the business climate in order to ensure that the opportunities of the NextGenerationEU, the European economic recovery plan from the COVID-19 crisis, are not missed.\(^{41}\)

In terms of business registration, strengthening digitalization and the interoperability of government platform will enable a further improvement and expansion of the services offered by the Greek business registry to the public. The commitment to continue on the path of further digitalization of government-to-business services is outlined across the different axes of the country's digital agenda\(^{42}\) and pillar no. 2 on digital transformation of the National Recovery and Resilience Plan. The latter includes plans for reforms that will further enhance the interconnection and interoperability of public organizations, modernize the public administration’s one-stop shops, digitalize ministries and archives, revamp public procurement, and establish a digital business ecosystem to facilitate the digital transformation of SMEs.\(^{43}\)

In addition, other reforms are underway to make the business registry G.E.MI. the digital business gateway for Greece. In particular, G.E.MI. is enhancing data exchange with the banking sector and the Tax Authority. For instance, the business registry is planning to implement the iXBRL\(^ {44}\) standard for digital business reporting of all legal entities and expand its services through the creation of a credit bureau. By doing so, G.E.MI. will be able to leverage the data collected across the different government databases to provide new services based on business information. These include credit scoring/rating about the probability of default of a given legal entity and red/early warnings for companies that are at risk of insolvency. In the latter case, the warning is coupled with advisory services for companies that face financial challenges on how to avoid bankruptcy and restore growth. The design and testing of these services are currently ongoing, alongside an evaluation of how to provide such services given the sensitivity of information such as the early warnings.


\(^{41}\) NextGenerationEU is a €806.9 billion temporary recovery instrument launched by the European Union to support the economic and social recovery from the COVID-19 pandemic. The plan aims to achieve recovery by supporting a green and digital transformation of the European economy into one that will be greener, more digital, more resilient, and more appropriate for the current and forthcoming challenges. The program's main financial instrument is the €723.8 billion Recovery and Resilience Facility (RRF). The total allocation of financial resources available for the recovery, combined with the Multiannual Financial Framework 2021–2027, amounts to €2.018 trillion. See https://ec.europa.eu/info/strategy/recovery-plan-europe_en.


\(^{44}\) Inline eXtensible Business Reporting Language (iXBRL) is an open standard to create human-readable and structured, machine-readable data to exchange digital business information with regulators, government agencies, and other companies. See https://www.xbrl.org/the-standard/what/an-introduction-to-xbrl.
**TABLE 1.**

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>Law on General Commercial Register (G.E.M.I.) and Modernization of the Chamber Legislation, Law 3419/2005</td>
<td>Established the unified business registry</td>
</tr>
<tr>
<td>2008</td>
<td>Law 3661/2008</td>
<td>Lowered the minimum capital requirement and the cost of capital tax; reduced time for the publication requirement</td>
</tr>
<tr>
<td>2011</td>
<td>Implementation of Law 3419/2005</td>
<td>Implemented the business registry as a single electronic platform (<a href="http://www.geminet.gr">www.geminet.gr</a>) that interconnected governmental agencies; made online business registration accessible to intermediaries (certified notaries) of company founders</td>
</tr>
<tr>
<td>2012</td>
<td>Law on Improving the Business Environment, Law 4072/2012</td>
<td>Introduced the private company (IKE)</td>
</tr>
<tr>
<td>2018</td>
<td>Joint Ministerial Decision 63577/2018</td>
<td>Established the electronic one-stop shop for business registration accessible to the general public without intermediaries</td>
</tr>
</tbody>
</table>

Source: Elaboration based on Doing Business data.

Reform-minded government officials can learn important lessons from Greece’s reform journey in business registration since 2005.

*Making business registration an administrative—rather than a judicial—process paved the way for a sequence of reforms.*

Moving business registration away from the courts through the creation of the unified business registry, G.E.M.I., has been the stepping-stone to streamline the registration process. Until then, a court-based registration process was in place for capital companies, such as the limited liability companies (ΕΠΕ) and partnerships, such as general (ΟΕ) and limited (ΕΕ) partnerships, while other capital companies such as société anonymes were required to register with the local prefecture. The court-based registration process was not a purely administrative process: business registration implied a substantive legal review and it required different paper-based procedures to be completed in person with each relevant authority. This system implied burdensome procedures to register a company and conduct checks, as there was no possibility to automatically search for information or to exchange data among authorities.

This configuration was prone to generate inaccurate data and it lacked transparency. For instance, the court-based registration left simple procedures such as reserving a name to the discretionary approval of a judge, increasing uncertainty. Moving to an administrative process of business registration was a radical change that paved the way for successive reforms. This change facilitated the standardization of procedures, increased accuracy, and provided transparency while reducing uncertainty.

---

Converting business registration into an administrative process has been found to be a change that makes a positive impact on the business environment in other jurisdictions too. A similar reform was implemented in Serbia in 2005, whereby shifting the registration process from regional courts to a centralized administrative agency generated a number of positive outcomes. The reform reduced the opportunities for corruption and the inefficiencies of the registration process. As a consequence, business registration increased by up to 34 percent, particularly in the areas that previously demonstrated higher distrust in the court-based registration and its perceived levels of corruption. In addition, the survival and two-year growth rates of new firms increased as well. Conversely, countries that maintain a court-based registration process show worse performances in terms of ease of doing business.⁴⁶

Engaging with stakeholders and showing the benefits of reforms are key to gaining the necessary support and overcoming resistance to changes.

The Company Law Unit had already designed a project of reform to establish the e-OSS in 2014. By 2016, the unit, in collaboration with business organizations, managed to gain political support from the Ministry of Development and Investments to push the reform through. Political support was crucial to persuade stakeholders about the necessity of modernizing business registration and bring them on board for the reform. In particular, the support of the ministry was key to establishing and maximizing collaboration with the Tax Authority regarding the issuance of value added tax numbers and the execution of fiscal checks.

Support from the professional associations played an important role. At the beginning of the reform, legal intermediaries—such as lawyers and notaries, who advise and support entrepreneurs throughout the start-up process—sought reassurances about how the e-OSS would affect their role. The Company Law Unit clarified that professionals would not be excluded from business registration and they would also reap the benefits of a leaner registration process. In fact, they would be able to work more efficiently as the amount of information to be collected from company founders would be minimized and the registration would be completed in real time. In addition, the professional services of notaries and lawyers would still be an option for those entrepreneurs seeking registration of companies with complex corporate governance structures and sophisticated articles of association.

The support of the public officials operating at the point of service delivery was also crucial. Initially, the creation of the e-OSS generated uncertainty also within the local branches of the business registry. However, the role of local offices was not minimized, because their mandate shifted from registration to postregistration services. Today, local offices conduct the postregistration checks and oversee the changes of existing companies. In addition, local offices gather information about companies’ business performance that is essential to the provision of the new services currently under implementation, such as the credit bureau or the default early warning.

Introducing a simplified corporate form has benefits.

Small and medium enterprises constitute 99 percent of European businesses, employ about 100 million people, and generate more than half of the European gross domestic product.⁴⁷ They are equally important for the economies of the rest of the world; however, traditional corporate forms do not adequately respond to the challenges faced by smaller business. Simplified company forms encourage business registration.⁴⁸ They offer advantages that include the ability to register online with no minimum capital requirements, the optional use of professionals/intermediaries, and simplified incorporation documents and accounting requirements without the mandatory use of auditors. Therefore, it is not surprising that the private company (IKE) has quickly become the most used legal form for the registration of new businesses in Greece since its introduction in 2012.

Policymakers in other countries could follow suit to provide more flexibility for entrepreneurs. Greece is not an isolated example: flexible and simplified corporate forms have been successfully introduced in other jurisdictions, becoming the dominant legal form, as in the case of the Italian Società a Responsabilità Limitata Semplificata or the Colombian Sociedad por Acciones Simplificada. On the global level, the United Nations Commission on International Trade Law has worked on a draft model law for a simplified business entity to reduce the legal obstacles encountered by micro, small, and medium enterprises, and it has drafted a legislative guide on a limited liability organization (UNLLO). The UNLLO provides a number of recommendations, including proposals to encourage real-time registration by requesting the minimum information necessary for formation and by not requiring deposit of minimum capital.

Setting up informal technical working groups allows citizens to reap the benefits of cross-agency collaboration.

Establishing an informal working group following the initial input of the Company Law Unit encouraged efficient and prompt collaboration among public agencies, including the tax authority, the social security agency, and the population registry. The political support to establish the e-OSS that the Company Law Unit had secured from the Ministry of Development and Investments was crucial to overcome disagreements and proceed with the tasks of the informal working group. Through this arrangement, the group promptly addressed a number of issues that emerged in the design of the e-OSS. In addition, this type of arrangement granted the necessary flexibility to expand the cross-agency collaboration beyond its initial scope, allowing Greek entrepreneurs to reap the benefits of cross-agency collaboration and system interoperability beyond the initial plans. For instance, these benefits included the creation of a unified payment system that makes G.E.M.I. the sole collector of the registration fees on behalf of each authority involved in the process. The working group identified further areas of improvement of the electronic services available to entrepreneurs. This is the case of digital authentication. Today, company founders may be authenticated on the e-OSS through different methods. Because their identity is securely ascertained at the authentication stage, they can then use simple electronic signatures—instead of qualified ones—to sign the company statute. Because entrepreneurs do not need to purchase costly third-party devices used for qualified signatures, the registration costs are further reduced.

Cross-agency collaboration has been crucial for embedding the aforementioned solutions in the design of the e-OSS, exploiting the benefits of data exchange. This approach has led to a substantial reduction of the administrative burden for citizens when interacting with the public administration. Sharing and reusing data is the application of the once-only principle, which enhances the advantages of the interoperability of government platforms. Estonia is the country that has been the most successful at implementing this principle through its X-Road government data exchange platform. More broadly at the EU level, the once-only principle is considered a key enabler of the digital single market. It is considered a “stepping-stone” to Europe’s recovery from the COVID-19 crisis and it is an essential feature of the Single Digital Gateway Regulation, which aims to simplify access to cross-border administrative procedures initiated online by citizens or companies based in another EU country by the end of 2023.

Planning for time between legal reform and implementation and scheduling a gradual phasing-in of e-services allow entrepreneurs to become accustomed to new structures, reducing the cost of system transition.

The launch of the e-OSS in July 2018 came two years after the Law on Simplification of Business Start-Up Procedures was enacted. The Company Law Unit used this two-year period to design the implementation of the e-OSS in collaboration with private-sector stakeholders. Before its launch, the online portal was made available for testing to its frequent users—namely,

---

54 See https://ce.europa.eu/cfedigital/wiki/display/CEFDIGITAL/OnceOnly+Principalie.
55 See https://e-estonia.com/solutions/interoperability-services/x-road/
56 See https://ec.europa.eu/cfedigital/wiki/display/CEFDIGITAL/Once+Only+Initiative%3ATowards+Cross-Border+Connectivity.
58 See https://ec.europa.eu/cfedigital/wiki/display/CEFDIGITAL/Once+Only+Initiative%3ATowards+Cross-Border+Connectivity.
notaries and accountants—who provided useful feedback by participating in the troubleshooting of the platform and identifying its inefficiencies. Reform-minded government officials should consider opening the testing phase of newly designed digital solutions to the private sector. This approach allows the receipt of valuable feedback from the platform’s users. Furthermore, collaboration with the private sector can be of utmost importance in ensuring the effectiveness of digital solutions that are being replicated from other countries.

The Greek business registry adopted a gradual approach in the implementation of the e-OSS. First, the online registration was introduced separately for each legal form, starting from the IKE company in July 2018 and concluding with the joint stock company in November 2020. Second, G.E.MI. scheduled a progressive phasing-in of the online business registration and a gradual phase-out of paper-based registrations. In particular, the business registry has set a two-year timeline to review the use of online registrations versus paper-based ones for each legal form. The full elimination of the latter option takes place when at least 70 percent of new registrations are done online. Policymakers should follow suit in adopting a gradual approach rather than introducing mandatory online business registration immediately or after a short period of time. With the additional time, entrepreneurs would have the opportunity to become accustomed to the new solution. More importantly, a gradual phasing-out of paper-based registration ensures that the share of the population that has no or limited access to the internet is not further marginalized by the introduction of new digital services.

A well-designed communication strategy is crucial for the implementation of reforms.

During the implementation of the OSS, G.E.MI. conducted roadshows and events across the country, especially in big cities—Athens, Thessaloniki, Iraklion (Crete), Patra, and Ioannina and Rhodes—and provided necessary information and insights on the new services. Aware that the message is more effective when it is conveyed by the beneficiary, the Greek business registry maintained constant interaction with business and professional associations, distributed monthly press releases with updates on the state of the reform, and invited comments and feedback. The associations not only provided useful feedback, but also contributed to the communication efforts by promoting the e-OSS among their members and to the wider public in a timely manner. Several associations enriched their websites with articles and banners aimed at highlighting and promoting the e-OSS and its improvements on a regular basis, thus amplifying the government’s reform dissemination efforts. In this regard, the strategy of setting up a gradual phase-in of the e-OSS—that is, including an additional new company type every several months—was also based on considerations relating to the uptake of the reform. This successful course of action was adopted to generate continued excitement about the new online platform with the hope that the longer the message stays in the news, the more likely it is that beneficiaries will notice.

**Conclusion**

This case study documented the changes in the business registration process implemented in Greece since 2005. The reforms were launched in the context of broader structural reform programs and started with the shift from a judicial to an administrative process of business registration. This change led to the creation of the unified business registry G.E.MI., which paved the way for further reforms that culminated with the establishment of an e-OSS.

A number of lessons that can be drawn from the Greek experience have been reviewed in this case study and can be useful to policymakers from other countries when improving business registration. In terms of regulatory changes, making business registration an administrative process allowed the standardization of procedures, an increase in accuracy, and transparency while reducing uncertainty. Similarly, introducing a simplified corporate form has given entrepreneurs a flexible, cheaper, and simple legal form with advantages that go beyond business registration.

The Greek experience also demonstrates how collaboration among public agencies and between public and private stakeholders in designing and implementing reforms can reduce resistance to change and increase the chances of successful regulatory changes. In particular, the interagency collaboration promoted by the Company Law Unit and supported by the Ministry of Development and Investments allowed the unlocking of interoperability and data exchange among public authorities and reduced the amount of data that entrepreneurs need to provide when starting a business. The collaboration...
among public agencies is also the enabler of further upcoming improvements of the business registry such as the creation of the credit bureau. Even more importantly, the collaboration with the private sector was crucial in the testing and implementation of the e-OSS as well as in the communication and promotion of the online platform to the wider public. Therefore, collaborating with the private sector when adopting regulatory changes is key to ensuring that new processes are well designed and are not simply replicated from other countries.

**Business environment reforms are complementary and cannot work in isolation. Greece continues to undertake further business environment reforms, beyond business registration.** As stated in its National Resilience and Recovery Plan of 2021, Greece is aiming to continue the digital transformation of its public sector by digitalizing archives, increasing interoperability of systems, and using advanced technologies. It is also aiming to support the digitalization of businesses by boosting the adoption of digital technologies, in particular by SMEs, and supporting the purchases of digital services and new technology cash registers. These steps will be taken in parallel with further reforms to ease the administrative burden and to improve the regulatory framework, including the consolidation of the licensing and inspections simplification reform, the upgrade of market surveillance and the quality infrastructure for product conformity and qualifications, and further simplification of the processes through digitization. Finally, Greece is also planning to improve the efficiency of its justice system by digitalizing it and accelerating legal court procedures.