

Public consultation on new quotas for Boards of Directors is concluded

Dr. Kanellos Klamaris, Senior Associate | 07 February 2025

Introduction

On 29 January 2025 the public consultation phase for a bill proposed by the Ministry of Social Cohesion and Family Affairs on new quotas for members of the underrepresented sex in Boards of Directors was completed. The bill aims to transpose Directive (EU) 2022/2381 on improving the gender balance among directors of listed companies (Directive 2022/2381) into Greek law.

Scope of the bill

The bill introduces provisions applying to:

- listed sociétés anonymes,
- certain non-listed sociétés anonymes, and
- certain state-owned entities.

As regards listed sociétés anonymes and certain non-listed sociétés anonymes, the contemplated measures are effected through amendments to Law 4706/2020 (on corporate governance) and Law 4548/2018 (on sociétés anonymes).

The core of the proposed amendments pertains to the introduction of a new quota for the participation of members of the underrepresented sex in the Boards of Directors of the concerned companies. Currently, Greek law mandates a minimum 25% representation of the underrepresented sex in the Boards of Directors of listed sociétés anonymes under Law 4706/2020. In this context, Article 12 paragraph 1 of Directive 2022/2381 does not require the introduction of additional quotas as a matter of law.

New quotas for larger listed companies

While the bill reiterates the existing 25% quota for the participation of members of the underrepresented sex in the Boards of Directors of listed sociétés anonymes, it introduces a new quota of 33% for listed companies with more than 250 employees and either:

- an annual turnover of at least €50 million, or
- an annual balance sheet total of at least €43 million.

In the latter case, and if the listed company's Board of Directors comprises more than three executive directors, at least one executive director must be a member of the underrepresented sex.

Preferential selection and transparency measures

The bill also introduces provisions applicable to these larger listed sociétés anonymes, which, in principle, require the selection of a member of the underrepresented sex as a Board of Directors member in cases where the candidates are equally qualified in terms of suitability, competence, and professional performance (subject to certain exceptions).

Furthermore, the bill establishes a procedure according to which listed sociétés anonymes will be required, upon request, to provide a rejected candidate with a reasoned decision for their rejection, which may include a comparative review of the candidates.

Reporting, sanctions and incentives

The bill provides for reporting obligations and sanctions in cases of non-compliance. These include:

- the potential impact of a breach of the quotas on the validity of the relevant resolution of the Shareholders Meeting appointing Board of Directors members, and
- restrictions on the ability of non-compliant société anonymes to participate in public procurements and concessions.

In addition, incentives are introduced in the form of an "Equality certification", awarded to sociétés anonymes that fully comply with the new quotas.

Voluntary application to non-listed companies and state-owned entities

Finally, the bill includes provisions allowing for voluntary application of the new quotas by non-listed sociétés anonymes and certain state-owned entities, by virtue of a corresponding provision in their articles of association.

Next steps

Following the completion of the public consultation phase, the bill is expected, subject to potential amendments by the Government, to be submitted to the Hellenic Parliament by the Ministry of Social Cohesion and Family Affairs for further deliberation.

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