

# LEGAL INSIGHTS

## IMMEDIATE CONSEQUENCES OF BANKRUPTCY PROCEEDINGS FOR A COMPANY AND ITS MANAGEMENT

CONTRIBUTORS:  
GEORGE GRAVIAS  
SERGIOS MANARAKIS

An overview and analysis of the immediate consequences of the initiation of bankruptcy proceedings by a company or its creditors

---

February 2012

Pursuant to the terms of the current legislative framework in Greece, a company which finds itself in the situation where it has to put in place a cessation of payments is obliged to file for bankruptcy. Similarly, if a creditor files a petition for bankruptcy and the company is unable to prove that it has not stopped payments, the petition will be successful. In either of these cases, the bankruptcy administrator has a duty to liquidate the company's assets and settle its debts.

**Immediate Consequences of Bankruptcy Proceedings for a Company and its Management** lists and analyses the liabilities arising from bankruptcy of both the company and its officers and what recourses they can take.

The Insight goes on to discuss steps which can be taken by the company to avoid bankruptcy, including the provisions of Article 99 and agreements with secured and unsecured creditors.

Please contact **George Gravias** or **Sergios Manarakis** at [ggravias@papapolitis.com](mailto:ggravias@papapolitis.com) or [smanarakis@papapolitis.com](mailto:smanarakis@papapolitis.com) for more information on **Immediate Consequences of Bankruptcy Proceedings for a Company and its Management**.

By accepting and retaining these Materials you acknowledge and agree as follows.

This newsletter (the "Materials") has been communicated on behalf of Papapolitis & Papapolitis ("P&P") for discussion purposes solely to provide certain clients of P&P with certain information regarding the Greek legal framework. Neither Papapolitis & Papapolitis nor any of its representatives make any representation, warranty or guarantee of any kind, express or implied, as to the accuracy, completeness or reasonableness of the information contained herein or any other written or oral communication transmitted or made available to any recipient. To the maximum extent permissible under applicable Greek law and regulations, Papapolitis & Papapolitis and its representatives expressly disclaim any and all liability based on or arising from, in whole or in part, the information or communication contained herein, or errors therein or omissions therefrom.

In addition, these Materials may include certain projections and forward-looking statements. Such projections and forward-looking statements reflect various and are subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond the control of Papapolitis & Papapolitis. Accordingly, there can be no assurance that such projections or forward-looking statements will be realised. Actual results may vary from anticipated results and such variations may be material. No representations, warranties or other assurance are given as to the accuracy or reasonableness of such assumptions or the projections or forward-looking statements based thereon.

These Materials do not constitute any form of advice, commitment or recommendation by Papapolitis & Papapolitis or its representatives. Each recipient should make an independent assessment of the merits of pursuing any transaction and should consult its own professional financial, legal, tax and other specialist advisors.

Except as otherwise noted, these Materials speak as of the date noted herein. The delivery of these Materials should not create any implication that there has been no change in the legal framework since such date. Papapolitis & Papapolitis and its representatives do not undertake any obligation to update any of the information contained herein.

---