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PROPOSAL

From: Secretary-General of the European Commission, signed by Ms Martine DEPREZ, Director

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To: Ms Thérèse BLANCHET, Secretary-General of the Council of the European Union

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2026/0074 (COD)

Proposal for a

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

on THE 28TH REGIME CORPORATE LEGAL FRAMEWORK - 'EU INC.'

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(Text with EEA relevance)

EXPLANATORY MEMORANDUM

1. CONTEXT OF THE PROPOSAL

• Reasons for and objectives of the proposal

In the current political and economic circumstances, the EU needs to focus on regaining competitiveness, closing the innovation gap with other major economies and increasing productivity to drive its economic growth, as strongly called for by the Draghi Report on competitiveness¹. While the European Union is regarded as one of the most attractive regions for companies due to its single market of over 450 million people, robust infrastructure and public support for innovation, the EU is lagging behind its major competitors.

Companies and in particular startups and scaleups are at the heart of this drive for growth. They strongly contribute to the EU's economic prosperity and competitiveness through their business activities and investments across the EU. Start-ups and scale-ups are known for their agility, risk-taking nature and focus on scalability, and play an increasingly important role in driving innovation and economic growth. They continue to shape the business landscape, increase competition and provide a major source of job creation. However, to be able to do this, companies and in particular startups and scaleups need a predictable legal framework that is conducive to growth and adapted to face the new economic challenges in an increasingly digital world. To this end, the corporate rules provide the backbone of the legal framework necessary for an enabling business environment and to attract investment. However, one of the overarching problems that companies still face in the EU is the fragmentation of rules, including corporate rules, across Member States and the resulting obstacles for companies across the single market.

In this context, the Letta report on the future of the Single Market highlighted the urgent need to remove the structural barriers preventing startups and scaleups from expanding across borders and called for a 'Simplified European Company'. Similarly, the Draghi Report underlined the differences in laws and regulations across Member States, which limit companies' ability to seamlessly operate across the EU single market and called for the adoption of a new EU-wide legal statute for innovative startups ('Innovative European Company'). The business, and in particular startup community, have also strongly stressed the need to urgently address this fragmentation to encourage founders to set up companies in the EU, help EU companies thrive and grow, and create conditions that can attract investment to EU companies.

In response, the Commission Communication '*A Competitiveness Compass for the EU*' announced a 28th regime as part of a comprehensive set of actions to enhance the competitiveness of the European economy. More specifically, the Commission Communications '*Savings and Investments Union A Strategy to Foster Citizens' Wealth and Economic Competitiveness in the EU*', '*The Single Market: our European home market in an uncertain world. A Strategy for making the Single Market simple, seamless and strong*' and '*The EU Startup and Scaleup Strategy; Choose Europe to start and scale*', respectively, set out a list of measures related to mobilising private investment, accessing finance, further developing the single market a reality and boosting the prospects of startups and scaleups in the EU, and underlined the important role that a 28th regime can play in those contexts. The two latter Communications further announced that the 28th regime would include an EU corporate legal framework based on digital-by-default solutions. The 28th regime proposal was also announced in the 2026 Commission Communication 'Work Programme'.

¹ [The Draghi report on EU competitiveness](#), September 2024.

The urgency to improve business conditions in the EU was also stressed by the European Council, which called on the Commission in 2025 to propose, “in line with the respective competences under the Treaties, without delay an optional 28th company law regime allowing innovative companies to scale up”. In parallel, the European Parliament’s own-initiative legislative report “On the 28th regime: a new legal framework for innovative companies” called for a 28th regime that should mainly concern company law rules and introduce a new corporate form into national laws, with simplified company formation and registration. It also stressed the need for measures to facilitate employee stock ownership, mechanisms to ensure more efficient dispute resolution and strong safeguards to protect employee participation rights.

This proposal aims to respond to these calls by addressing the fragmentation of national regulatory frameworks and the resulting obstacles for companies across the single market. It presents a corporate legal framework including a harmonised company legal form to be introduced in the national order of each Member State. Moreover, it harmonises a wide range of corporate rules to address the challenges modern businesses are facing throughout the whole company lifecycle in the single market, including setting up, the subsequent operation of companies and liquidation and insolvency procedures. In addition, it proposes harmonised rules to enable companies to attract private investment through common fast, digital and cost-effective procedures, which would make it easier for high-growth companies to scale up in the single market and enable both the EU and third country investors to invest in companies.

The overall objectives of this proposal are to provide better conditions for starting a business and better opportunities for growth and scaling up in the EU, and to encourage more investment into EU companies, particularly in their early and growth stages. With these improved conditions and opportunities, the proposal aims to strengthen the competitiveness of EU companies and the EU economy and to improve the functioning of the single market.

To achieve this, the proposal will provide in particular:

- a common corporate legal framework for companies in the EU,
- simple and efficient corporate rules and procedures throughout their lifecycle, and
- an enabling framework to invest.
- **Consistency with existing policy provisions in the policy area**

This proposal sets out a harmonised corporate legal framework for EU Inc. companies including a new harmonised company legal form to be introduced in the national legal orders of all Member States. It is complementary and coherent with the existing EU company law acquis and it makes use of the digital tools and systems and substantive rules in Codified Directive (EU) 2017/1132².

The proposal fully relies on the use of the Business Register Interconnection System (BRIS), which is based on legal obligations set out by Directive (EU) 2017/1132 and Commission Implementing Regulation (EU) 2021/1042³, without fundamentally altering its functioning or

² Directive (EU) 2017/1132 of the European Parliament and of the Council of 14 June 2017 relating to certain aspects of company law (OJ L 169, 30.6.2017, p. 46), ELI: <http://data.europa.eu/eli/dir/2017/1132/oj>

³ Commission Implementing Regulation (EU) 2021/1042 of 18 June 2021 laying down rules for the application of Directive (EU) 2017/1132 of the European Parliament and of the Council as regards technical specifications and procedures for the system of interconnection of registers and repealing Commission Implementing Regulation (EU) 2020/2244 (OJ L 225, 25.6.2021, p.7) ELI: <http://data.europa.eu/eli/dec/2021/1142/oj>

infrastructure. Similarly to other limited liability companies, EU Inc. companies will be required to file mandatory company information and business registers will make this information publicly available. Such requirements are adapted to reflect the harmonised features of the EU Inc. and that information about EU Inc. companies will also be available at EU level, through BRIS at the E-Justice portal, through multilingual labels. Digital exchanges about EU Inc. companies between business registers - to apply the once-only principle - will also take place through BRIS, as is currently the case for other limited liability companies. EU Inc. companies will also have a European Unique Identifier (EUID). The proposal furthermore ensures that EU Inc. companies will benefit from reduced formalities, such as no need for an apostille on company documents, while proposing additional simplification measures. In case an EU Inc. company is created through or carries out a cross-border conversion, merger or division, the existing EU rules on cross-border mergers, conversions and divisions will apply as for other EU limited liability companies.

Many other rules in this proposal build on digital procedures with business registers, while introducing new harmonised solutions and fully digital procedures in other areas which are essential for the growth of EU Inc. companies, notably in procedures relevant for attracting investment.

Regarding the insolvency of an EU Inc. that is an innovative startup, the proposal complements the approximation of substantive insolvency laws achieved by [*PO: Reference to Directive (EU) 2026/XXX of the European Parliament and of the Council of XXX 2026 harmonising certain aspects of insolvency law*], in particular by providing for a simplified winding up procedure and a framework for electronic auction of assets within such procedure. It does not affect the rules on determination of international jurisdiction, applicable law and recognition of judgements in insolvency matters, laid down in Regulation (EU) 2015/848⁴. The proposal is also without prejudice to the application Directive (EU) 2019/1023⁵ on preventive restructuring frameworks, on discharge of debt and disqualifications, and on measures to increase the efficiency of procedures concerning restructuring, insolvency and discharge of debt, as transposed into the laws of the Member States; the 2019 Directive's measures will thus fully apply to the EU Inc.

The exchange of information on EU Inc. companies between business registers and authorities in charge of issuing the tax identification number (TIN) and the VAT identification number is coherent with the objectives of EU legislation on administrative cooperation in the field of taxation and with anti-money laundering legislation. It will ensure that the company information in the business registers, verified during mandatory preventive controls, can be automatically used to issue the TIN and the VAT identification number. In addition, the transfer of company information from the business register to the beneficial ownership register in the context of the EU Inc. company's registration will ensure that the company information in the beneficial ownership register corresponds to the up-to-date and verified company information in the business registers and will therefore contribute to the pursuit of the objectives of the EU Anti-Money Laundering (AML) legislation and in particular the

⁴ Regulation (EU) 2015/848 of the European Parliament and of the Council of 20 May 2015 on insolvency proceedings (recast) (OJ L 141, 5.6.2015, p. 19–72), ELI: <http://data.europa.eu/eli/reg/2015/848/oj>

⁵ Directive (EU) 2019/1023 of the European Parliament and of the Council of 20 June 2019 on preventive restructuring frameworks, on discharge of debt and disqualifications, and on measures to increase the efficiency of procedures concerning restructuring, insolvency and discharge of debt, and amending Directive (EU) 2017/1132 (Directive on restructuring and insolvency) (OJ L 172, 26.6.2019, pp. 18), ELI: <http://data.europa.eu/eli/dir/2019/1023/oj>

AML Directive (EU) 2024/1640⁶ and the AML Regulation (EU) 2024/1624⁷, given that the accuracy of data included in the beneficial ownership registers is of fundamental importance. This would also be in line with the upcoming interconnection between BRIS and the Beneficial Ownership Registers Interconnection System (BORIS), following the Upgrading digital company law Directive (EU) 2025/25⁸.

- **Consistency with other Union policies**

The proposal follows and is coherent with the objectives of the Competitiveness Compass to make it possible for innovative companies to benefit from a single, harmonised set of EU-wide rules wherever they invest and operate in the Single Market, and directly responds to the announcement of an EU corporate legal framework in the Single Market and the Start-up and scale-up Strategies.

With its measures to create an enabling framework to invest, this proposal is also closely linked with the Commission initiatives under the Savings and Investments Union. In this respect, several initiatives aiming to improve European businesses' access to funding have been published in 2025, e.g. the Market Integration Package adopted in December 2025, and further ones announced for 2026, including an EU venture and growth capital funds reform and measures to support exits by investors in private companies.

The digitalisation of company law procedures for EU Inc. companies not only builds on the existing EU company law tools as explained above but is also complementary to the other existing (or currently developed) digital tools at EU level. The new digital procedures under the proposal rely on the use of electronic identification means, including the European Digital Identity Wallets, and trust services, set out in Regulation (EU) No 910/2014⁹ (eIDAS), amended by Regulation (EU) 2024/1183¹⁰, establishing the European Digital Identity Framework including the European Digital Identity Wallet (EUDIW). This follows the already existing complementarity, whereby the EU company law relies on the European Digital Identity Framework for the identification of company founders, directors and investors and ensures the possibility to use the EUDIW for online EU company law procedures.

There is also complementarity between this proposal and the recent Commission proposal for a Regulation on the establishment of European Business Wallets which builds on, and extends, the European Digital Identity framework¹¹, and aims to support companies in

⁶ Directive (EU) 2024/1640 of the European Parliament and of the Council of 31 May 2024 on the mechanisms to be put in place by Member States for the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, amending Directive (EU) 2019/1937, and amending and repealing Directive (EU) 2015/849 (OJ L, 2024/1640, 19.6.2024), ELI: <http://data.europa.eu/eli/dir/2024/1640/oj>

⁷ Regulation (EU) 2024/1624 of the European Parliament and of the Council of 31 May 2024 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing (OJ L, 2024/1624, 19.6.2024), ELI: <http://data.europa.eu/eli/reg/2024/1624/oj>

⁸ Directive (EU) 2025/25 of the European Parliament and of the Council of 19 December 2024 amending Directives 2009/102/EC and (EU) 2017/1132 as regards further expanding and upgrading the use of digital tools and processes in company law (OJ L, 2025/25, 10.1.2025), ELI: <http://data.europa.eu/eli/dir/2025/25/oj>

⁹ Regulation (EU) No 910/2014 of the European Parliament and of the Council of 23 July 2014 on electronic identification and trust services for electronic transactions in the internal market and repealing Directive 1999/93/EC (OJ L 257, 28.8.2014, p. 73), ELI: <http://data.europa.eu/eli/reg/2014/910/oj>

¹⁰ Regulation (EU) 2024/1183 of the European Parliament and of the Council of 11 April 2024 amending Regulation (EU) No 910/2014 as regards establishing the European Digital Identity Framework (OJ L, 2024/1183, 30.4.2024), ELI: <http://data.europa.eu/eli/reg/2024/1183/oj>

¹¹ [COM\(2025\) 838 final](#).

business-to-business and business-to-government communications. The EU Inc., as any other company, once formed and registered in the business register, may choose to purchase the European Business Wallet to securely authenticate, store and share documents. This builds on the coherence between the European Business Wallet proposal and the EU company law in general, whereby the Business Wallet will use the EUID, the unique company identifier under EU company law, to uniquely identify companies, allowing to link the European Business Wallets with the official, up to date and trustworthy company information in business registers. In addition, this proposal makes the digital tools such EU Company Certificate and digital EU power of attorney compatible with the European Business Wallets and enables the EU Inc. which has the Business Wallet to use it in compliance with this proposal.

The proposal is also complementary to other EU initiatives that aim to facilitate cross-border information or procedures, such as the Single Digital Gateway Regulation¹². While the Single Digital Gateway (SDG) provides for general rules to facilitate online access to information, administrative procedures and assistance services across the EU and covers a wide range of administrative procedures defined in the Regulation, this proposal covers specific company law and insolvency procedures, which are explicitly excluded from the scope of the SDG for all companies, and therefore, also for EU Inc. companies. At the same time, EU Inc. companies, as other companies, will be able to make use of the procedures which are under the scope of the SDG. The links to information about the EU Inc. legal form and procedures provided by this Regulation, available on national registration websites would be also available through the Your Europe portal under the SDG.

The proposal is also complementary to Directive (EU) 2019/1024¹³ on open data and the re-use of public sector information. While the Open Data Directive covers the reuse of public sector information by third parties for commercial or non-commercial purposes, this proposal focuses instead on the needs of direct users such as companies, other stakeholders and public authorities to access and use reliable and up-to-date official company data directly from national business registers.

While the primary purpose of this proposal is to strengthen the competitiveness of companies established in the EU, the design of the EU Inc. regime can also support the gradual integration of candidate countries and potential candidates in the future, subject to bilateral agreements to ensure alignment with the *acquis* and compliance with conditions and safeguards.

2. LEGAL BASIS, SUBSIDIARITY AND PROPORTIONALITY

• Legal basis

The proposal is based on Article 114 TFEU, which empowers the European Parliament and the Council to adopt measures for the approximation of the provisions laid down by law, regulation or administrative action in Member States which have as their object the establishment and functioning of the internal market.

¹² Regulation (EU) 2018/1724 of the European Parliament and of the Council of 2 October 2018 establishing a single digital gateway to provide access to information, to procedures and to assistance and problem-solving services and amending Regulation (EU) No 1024/2012 (OJ L 295, 21.11.2018, p. 1), ELI: <http://data.europa.eu/eli/reg/2018/1724/oj>

¹³ Directive (EU) 2019/1024 of the European Parliament and of the Council of 20 June 2019 on open data and the re-use of public sector information (recast) (OJ L 172, 26.6.2019, pp. 56–83), ELI: <http://data.europa.eu/eli/dir/2019/1024/oj>

According to the Court of Justice of the European Union, the use of Article 114 TFEU requires that an act approximates national law, instead of leaving unchanged the different national laws. It must *genuinely have as its object to improve the conditions for the establishment and functioning of the internal market*. It must contribute to the elimination of obstacles to the exercise of fundamental freedoms, or to the removal of distortions of competition. Furthermore, the Court of Justice has recognised that the expression ‘measures for the approximation’ in Article 114 TFEU was intended by the authors of the Treaty to confer on the Union legislature discretion as regards the harmonisation technique most appropriate for achieving the desired result, depending on the general context and the specific circumstances of the matter to be harmonised.¹⁴

The present proposal approximates in several regards national laws governing the activities of EU businesses throughout their lifecycle. It aims at improving the functioning of the internal market by creating an efficient corporate legal framework for companies and investors. It provides the backbone of a regulatory environment that enables businesses to attract investment and grow. In that context, the proposal introduces a harmonised legal form, “EU Inc.”, to be provided in the national order of each Member State and governed by harmonised rules which founders and companies may opt to use. It harmonises the core features, by drawing on Member States’ laws, that are needed to effectively address the challenges modern businesses are facing. By providing such harmonised features, it addresses the increasing fragmentation of laws on limited liability companies, which is reflected in a rise of new national legal forms that diverge significantly in their characteristics while pursuing the same objective of making rules and procedures more flexible and promoting startups, scaleups and other small and medium-sized businesses. The proposal also harmonises some key aspects of liquidation and insolvency procedures.

Furthermore, the proposal aims to address the fragmentation of national regulatory approaches to the cross-border use and acceptance of EU Inc. information in business registers as well as of notarial or administrative acts and to abolish administrative barriers to the use of such information (e.g. apostille) in cross-border situations, including administrative or court procedures, by building on measures such as the harmonised EU Company Certificate and the digital EU power of attorney. To further enhance cross-border use of data related to EU Inc. companies and further reduce burdens on those companies, the proposal also contains a general duty for administrative and judicial authorities to consult information on EU Inc. companies publicly available at EU level, in particular through the business registers interconnection system, in the context of cross-border procedures.

In addition, the proposal aims to facilitate the free movement of capital by harmonising divergent rules and procedures affecting investments in companies, including with respect to shares and share transfers. The proposal aims to remove key barriers stemming from divergent corporate law that constrain companies in their efforts to attract investors, in particular those from other Member States and third countries. By addressing the complexity and fragmentation of rules that deter investors such as third-country venture capitalists and cross-border angel investors, the proposal aligns with the objectives of the Savings and Investments Union.

Finally, the proposal sets out harmonised rules aiming at rendering more effective and efficient the administrative cooperation between business registers, and between business registers and other authorities, to underpin and support the harmonised and digital corporate procedures and to make them operable in a cross-border setting.

¹⁴ C-66/04, United Kingdom v. Parliament and Council (*Smoke flavourings*), para. 45.

The proposal also touches upon certain issues of taxation (concerning, in particular, EU-ESOs) and employee participation. Those provisions are not intended to harmonise the fields of taxation or employee rights, but are merely a means to achieve the main objective of the act.

- **Subsidiarity (for non-exclusive competence)**

The proposal aims to address the problems faced by companies due to divergent national corporate rules and procedures. Therefore, a coordinated action at EU level is required to introduce a common corporate framework with a harmonised company legal form and an EU brand, which founders and companies may opt to use. Similarly, a co-ordinated action at EU level is needed to ensure that all Member States have common rules and procedures in place for the setting up and legal operations of companies under this corporate framework and those are compatible and work in cross-border situations. A coherent, harmonised legal framework for a simplified company legal form aiming in particular to serve the needs of startups and scaleups, attracting and retaining talent and investments can be achieved exclusively at EU level.

There is also strong value added of EU action as this proposal aims to build on BRIS, which is already operational at EU level. Furthermore, only EU action can ensure that the “once-only” principle will be applied in all Member States and, therefore, that incorporation of EU Inc. companies will be not only fast but also fully digital and recognised by all national authorities and business registers

In addition, co-ordinated action is needed to provide an investor-friendly environment including legal certainty on exit options, particularly in cross-border situations. Furthermore, harmonised rules are necessary to introduce employee stock option plans that work in cross-border situations, which are essential for EU Inc. companies to attract and retain talent. While Member States acting individually could create national legal forms, they could not introduce European-wide common rules, mechanisms and procedures that would be compatible and coherent enough to work in cross-border situations. A coherent, harmonised legal framework for a simplified company legal form aiming in particular to serve the needs of startups and scaleups, attracting and retaining talent and investments can be achieved exclusively at EU level.

In view of the foregoing considerations, there is a strong added value of action at EU level in the context of this proposal because it focuses on boosting competitiveness and providing the necessary legal certainty by establishing a common legal framework. Bilateral or multilateral cooperation between Member States would not be able to address the fragmentation of the single market and could, on the contrary, result in further fragmentation. Founders would continue to face challenges when setting up and running companies in the EU, startups and scaleups would still be unable to take full advantage of the scale of the single market, and some businesses would risk moving to third countries with more attractive conditions for growth.

- **Proportionality**

In conformity with the principle of proportionality, this proposal does not go beyond what is necessary to achieve its objectives. It is targeted as it addresses areas which stakeholders, in particular companies and founders, raised as problematic in the consultation activities. In addition, the proposal focuses on providing a harmonised corporate legal framework across the EU, which needs to be addressed at EU level and could not be achieved through Member State action alone.

The proposal does not develop new systems for the purpose of the EU Inc. corporate legal framework but makes use of the existing digital tools and systems developed in accordance with the Codified Directive (EU) 2017/1132 and in particular, relies on the BRIS system for making information about EU Inc. companies publicly available and for “once-only” digital exchanges of information about EU Inc. companies between business registers, as is the case for other EU limited liability companies under the EU company law acquis. It also relies on the European Digital Identity Framework, including the European Digital Identity Wallet established by the eIDAS Regulation, for e-identification and trust services for the corporate procedures set out in the corporate legal framework, as well as ensures compatibility with the proposed European Business Wallet.

As explained in the impact assessment, the chosen package of measures put forward in this proposal can address the problems and obstacles identified in the most comprehensive, effective and efficient way. It does so in particular by providing for a harmonised legal form (EU Inc.) with a recognisable brand, open to natural and legal persons and with a number of ways of creating it, as well as by harmonising the procedures relevant for different parts of the life cycle of 28th regime companies, including setting up, attracting and retaining talent through employee stock option plans, governance and capital maintenance regime including no minimum capital requirement, attracting investment to be able to scaleup, and closure (see section 6 of the impact assessment). The multi-criteria analysis carried out in the impact assessment, which took into account the effectiveness, efficiency, coherence and proportionality of all policy options, showed that all chosen measures had a net positive benefit and that the preferred measures ranked the highest (see section 7 of the impact assessment and Annex 4 on analytical methods). The estimated costs of this proposal are proportionate to the objectives and overall, a strong benefit is expected for companies, in particular for startups and scaleups, as set out in the impact assessment (see section 8).

- **Choice of the instrument**

The present proposal takes the form of a Regulation, which is considered the most appropriate legal instrument to achieve the envisaged high degree of approximation of laws.

The present proposal provides for a multi-pronged and coordinated framework aiming at facilitating the lifecycle of companies in the Union. It aims to improve the functioning of the internal market as a whole, rather than regulating *stricto sensu* the taking-up and pursuit of a particular activity throughout the Union.

The direct applicability of a Regulation will reduce regulatory complexity and offer greater legal certainty for EU Inc. companies and their investors across the Union, thereby contributing to the functioning of the single market. In view of the issues to be addressed and given the economic, social and political context, a regulation is more suitable than a directive to ensure a consistent and appropriate legal environment throughout the EU and reduce regulatory divergences that would hamper the growth of companies in the internal market. It will allow for a quick and direct application of the harmonised EU rules, thus addressing the identified problems faster. That will avoid, by comparison to a directive, a lengthy transposition process, prevent potential divergences or distortions during the transposition process, and avoid “gold-plating”.

3. RESULTS OF EX-POST EVALUATIONS, STAKEHOLDER CONSULTATIONS AND IMPACT ASSESSMENTS

- **Ex-post evaluations/fitness checks of existing legislation**

This proposal does not revise the existing legislation but puts forward a new corporate legal framework. Therefore, no evaluation of the existing rules was necessary.

- **Stakeholder consultations**

The evidence for this initiative, including about problems and obstacles faced by companies and founders, in particular startups and scaleups, was gathered through wide-ranging consultation activities. In addition, the European Parliament resolution “On the 28th regime: a new legal framework for innovative companies” adopted on 20 January 2026¹⁵, and the exchanges with the European Parliament in the context of the development of that own-initiative legislative report, provided an important contribution in the preparation of this proposal. Exchanges also took place with the Economic and Social Committee, in particular in the context of the study focusing on the 28th regime¹⁶.

The public consultation and a call for evidence were both carried out in 2025. The public consultation received significant feedback, with 1467 replies submitted by companies, founders, investors, business associations, EU citizens, public authorities, legal professionals, academic/research institutions, nongovernmental organisations as well as trade unions. 80% of responses were submitted by EU citizens (who were mostly founders and investors) and companies, and 96% of the company responses came from SMEs. In addition, 113 position papers were submitted as part of the consultation. The call for evidence received 879 replies¹⁷.

Overall, stakeholders confirmed the identified problems and broadly supported action at EU level. Companies, founders and investors strongly supported a common corporate legal framework which would include digital and more efficient procedures to set up and invest in companies, and measures to make it easier to attract and retain employees through employee stock options. There was also agreement across stakeholders in favour of a broad scope for the framework, in particular for not limiting it to a sub-set of companies such as startups or innovative companies. Legal practitioners stressed the need for legal advice when establishing a company and emphasised the importance of preventive checks in company formation procedures, whereas trade unions strongly stressed the importance of respecting workers’ rights.

Two online workshops were organised with startup and scaleup companies and investors in 2025, to discuss corporate law barriers, both related to setting up, running or closing down a company and to attracting investment or investing in a company in the EU, costs of such barriers, and impacts/benefits that could be expected from measures set out in the public consultation on the 28th regime. Information was also gathered through numerous bilateral meetings and targeted interviews with key stakeholders in the area of company law, including EU and national level organisations representing companies, legal professionals including notaries, trade unions, representatives of the startup community and individual companies. Numerous bilateral meetings also took place with representatives of national authorities, mainly Ministries in charge of company law issues. The Danish Presidency also organised an exchange of views on the 28th regime during the September 2025 meeting of the Council Working Party on company law.

All these meetings brought valuable insights into the problems currently faced by companies and other stakeholders, and about issues of importance in the context of company law

¹⁵ [European Parliament resolution of 20 January 2026 with recommendations to the Commission on the 28th Regime: a new legal framework for innovative companies \(2025/2079\(INL\)\)](#).

¹⁶ European Economic and Social Committee, Establishing the 28th Regime: A Unified Legal Framework to Support Growth and Business.

¹⁷ [Have your say website](#).

procedures to different groups of stakeholders. The companies and investors provided concrete examples from their experience on administrative burdens, costs and time needed for different company law procedures and shared views on what improvements could facilitate setting up and operating companies and attracting investment to companies in the EU.

Discussions with industry, Member States, the European Parliament's Legal Affairs Committee and the relevant EU level stakeholder associations, including those representing different businesses, trade unions and legal professionals, also took place during 2025 in the framework of the High-level Forum on Justice for Growth¹⁸ launched by Commissioner McGrath. The 28th regime corporate legal framework was discussed at all meetings, with particular focus on the problems faced by companies, digital solutions, the legal approach and measures to attract investment. During these discussions, there was overall agreement that there was a need to improve the business environment for companies, and overall support for the 28th regime. At the same time, trade unions strongly stressed the importance of protecting workers' rights, in particular as regards employee participation in boards, and called for first amending the European Company (SE) Regulation. Many participants stressed the importance of the optional character of the 28th regime. Several participants, in particular representing Member States and some business associations, were sceptical about addressing issues beyond corporate law, such as tax, labour or insolvency, and preferred to focus on corporate law. Several underlined that while the fragmentation of the company law was indeed a problem, many difficulties were outside the company law area. The importance of not allowing 28th regime companies to circumvent rules on employee participation in boards of companies was also raised. There was general agreement among participants, including Member States, business associations and legal professionals, in favour of a broad scope for the corporate framework, i.e. not limited to a sub-set of companies such as start-ups or innovative companies, due to difficulties to establish an appropriate definition, administrative burden to demonstrate compliance and complications when companies no longer meet the definition.

On digitalisation, many participants of the High-level Forum stressed the progress already made in EU company law and the importance of taking the 2019 and 2025 digitalisation directives into account, and of using BRIS and EUID. Overall, participants were in favour of (optional) templates, multilingual or bilingual rather than in English only. A few Member States and notaries emphasised the importance of the preventive checks in the company formation procedures, including the involvement of notaries.

As to measures to attract investment, overall business associations stressed the important role of the 28th regime in addressing the current fragmented environment for investments. As regards the applicable capital regime, a majority of Member States were in favour of abolishing or reducing the minimum capital requirement to a symbolic amount, and most stressed the need for alternative creditor safeguards. A few Member States thought that the minimum capital should not be entirely abolished or should not be merely symbolic. Business associations overall considered minimum capital as an obstacle and supported a zero/symbolic or low amount while trade unions cautioned against circumvention of workers' rights and proliferation of empty shell companies. Most Member States were open to discuss not applying the par value principle, allowing companies to freely determine the value of shares, with some noting that should par value be removed, safeguards for creditors would be needed, and some others saying that the abolition of par value was not necessary. Several Member States expressed interest in the potential of innovative financing instruments to facilitate early-stage financing, while some questioned whether legislative action was needed given that

¹⁸ [High-Level Forum on Justice for Growth](#).

companies already used such instruments at national level. On the capital structure, a broad majority of Member States expressed preference for a share-based model. Member States and other participants supported a flexible approach allowing for free transferability of shares as a default rule. A couple of Member States highlighted the importance of legal certainty and the role of notaries and/or business registers. On access to financial markets, while Member States and other participants underlined the need to allow companies to grow within the 28th regime legal framework, views were mixed on allowing access to public markets without changing the company legal form.

- **Collection and use of expertise**

Discussions with the Commission Informal Company law Expert Group (ICLEG) consisting of 16 company law academics and practitioners from 12 Member States and EFTA countries in 2025 also provided an important contribution into the preparation of this proposal¹⁹. During the discussions, it was argued that the future proposal should not be restricted to certain types of companies and that one should not try to define those. The need for a consistent framework that allows for national variations while providing uniformity was emphasised. The need to simplify procedures was also stressed during discussions, including the possibility of one EU access point and standardised templates for formation. The need for flexibility and digital tools as regards governance of companies were also mentioned. There was broad agreement that it was important to address measures relevant for attracting investment, including making private contractual instruments easier to use, looking at classes of shares and authorised capital. The need for both simplicity and flexibility was underlined.

- **Impact assessment**

The impact assessment for this proposal was examined by the Regulatory Scrutiny Board on 11 February 2026. A positive opinion was received on 13 February²⁰, and the recommendations from the Board were duly addressed in the final version of the impact assessment.

The impact assessment analysed policy options under seven main areas. The policy options assessed to **provide a harmonised company legal form for entrepreneurs** differed in terms of scope: whether only the company legal form for a 28th regime company would be harmonised or also its branches, who could set up such a 28th regime company and how. The preferred option was to introduce a new harmonised legal form for a 28th regime company with an EU brand, to be set up by natural and legal persons, or through domestic conversions and cross-border conversions, divisions and mergers, and with harmonised rules for branches of 28th regime companies. The policy options considered to **make registration of startups quicker and simpler** were all based on the development of an EU central interface through BRIS for the registration a 28th regime company in the respective national business registers and varied in terms of level of procedural harmonisation. The preferred option was to create an EU central interface based on BRIS for registration of 28th regime companies with harmonised bilingual templates, with a deadline (48 hours) and a cost ceiling of EUR 100 for registration including the preventive administrative, judicial or notarial control when the standardised template is used by founders as natural persons.

The options considered to **ensure once-only submission of information in the context of registration** differed in terms of authorities involved as well as a possibility to obtain identification numbers as part of the registration process. The preferred option was to ensure,

¹⁹ [Register of Commission Expert Groups and Other Similar Entities: Informal Expert Group on Company Law and Corporate Governance \(E03036\)](#).

²⁰ SEC (2026) 321.

in the context of registration, that the company information is transferred from the business register to the authority in charge of issuing the TIN and the VAT identification number, social security authority and beneficial ownership register without the 28th regime company needing to submit it again (“once-only principle”), and that the company obtains the TIN and the VAT identification number. The options considered to **facilitate closure (liquidation) of the company** covered both the liquidation outside of insolvency and insolvency related closure and provided for different degree of simplification of procedures, including through digital tools. The preferred option was to ensure that filings by the liquidator for closure (outside insolvency) are transferred from business register to other authorities (“once-only principle”); provide for online filing of claims from creditors; a simplified liquidation procedure for solvent companies without assets and debts; and simplified insolvency procedures thanks to their full digitalisation.

The options considered to **attract and retain talent** provided different degree of harmonisation, including as regards tax measures. The preferred option was to allow 28th regime companies to set up employee stock ownership plans, issue classes of shares with distinct voting rights and introduce an optional common EU-ESO scheme for 28th regime companies, with harmonised timing for the taxation of employee stock options under the EU-ESO. The options considered to **provide a flexible governance and capital regime for founders and investors** covered measures to provide flexible governance system and digital procedures throughout the operational phase and different approaches as regards a capital regime. The preferred option was to create a flexible governance system; provide simple and fully digital procedures to increase capital and issue shares; enable the use of modern early-stage financing instruments like SAFEs; and introduce EUR 0 or 1 minimum capital but no paid-in share capital for incorporation with harmonised creditor safeguards. Finally, the policy options considered to **facilitate exit options** focused on simplifying the transfer of shares – to different degrees – and on enabling access to public equity markets for 28th regime companies. The preferred option was to ensure that transfers of shares of 28th regime companies can be carried out fully digitally, without involvement of intermediaries, and with a possibility for Member States to allow access to public equity markets to 28th regime companies.

The package of preferred measures consisted of chosen measures under each of the seven main areas described above. They are complementary and allow for a comprehensive approach covering a whole company lifecycle, from setting up to closure and including attracting investment and providing for a possibility to offer employee stock options. The package of preferred measures is expected to reduce fragmentation by providing companies, in particular startups and scaleups, with a single, consistent corporate legal framework applicable across Member States, and an easily recognisable EU brand is expected to bring increased transparency and strengthen trust in 28th regime companies among stakeholders dealing with companies, including other companies a business partners but also creditors, shareholders and consumers.

The package is expected to strongly reduce the administrative burdens for companies taking on the legal form of a 28th regime company at each step of their lifecycle, benefiting in particular startups and scaleups, as it responds in many of its features to their needs, and companies active across the EU. Companies would benefit from simpler and more efficient registration procedures with the “once-only principle” for submitting information and the subsequent exchange of information between authorities, no need to pay in minimum share capital at incorporation, a common EU-ESO scheme for employee stock ownership with a harmonised timing of taxation, as well as from measures to simplify and digitalise closure procedures for those 28th regime companies which will need to be liquidated. The savings are

estimated at between EUR 328 million and EUR 440 million for the estimated 308 000 28th regime companies over a period of 10 years. 28th regime companies would also benefit from digital tools for corporate law procedures, including allowing for online shareholder and board of director meetings. At the same time, only limited one-off adjustment costs would be expected for companies, in particular for those already existing companies which would convert into 28th regime companies and therefore, would need to adapt internal processes to use digital procedures.

The package of preferred measures is also expected to strongly improve the investment environment. Investors, including venture capitalist and other early-stage investors, investing in 28th regime companies would benefit from administrative burden reduction, including due to reduced time and less costs linked to due diligence about legal requirements, in-person formalities for share transfers and mandatory involvement of notaries and other intermediaries, with the estimated saving of EUR 1 780 – EUR 2 850 for a growth-stage secondary share transfer transaction of EUR 500 000. Similarly, there would be cost and burden reductions both for investors and companies thanks to fully digital procedures for capital increases and share issuances, with savings estimated to amount to around EUR 1 100 per financing round. Investors would also profit from improved exit options in Member States allowing 28th regime companies to access public equity markets without a legal conversion. Employees investing in 28th regime companies through the EU-ESO would benefit from a simple, stock-option based scheme and from a favourable timing of taxation that avoids dry tax charges on employee stock options.

Public authorities, including business registers, are expected to benefit from efficiency gains stemming from digital procedures and the “once-only” transmission of company information. Common rules and a recognisable EU brand might also increase the transparency and trust for public authorities, in particular when dealing with 28th regime companies coming from other Member States. Due to the need to adapt national IT systems to the EU central interface for registration of 28th regime companies, one-off costs, estimated at EUR 2.7 million are expected for all Member States. Member States would be able to build on the technology already developed to interconnect national business registers to BRIS. There are likely to be extra costs for some Member States to connect authorities in charge of preventive control to business registers, estimated at around EUR 50 000 per each of those Member States. The automatic transmission of company information between business registers and other authorities would also entail limited one-off IT costs, given the digital developments already ongoing in national administrations. The cost ceiling of EUR 100 to complete the registration (with a standardised template) would entail reduced revenue for business registers and other authorities involved in the registration, including preventive control. It is expected that this will be at least partially offset by increased economic activity and tax contributions from new companies created under the 28th regime legal form.

In the context of insolvency proceedings, some costs could be expected for development and maintenance of platforms for electronic auctions systems estimated to amount to between EUR 500 000 to EUR 700 000 for all Member States. The harmonised timing of taxation of employee stock options under the EU-ESO would derive negative liquidity effects for Member States where income from employee stock options is currently taxed at an earlier stage, but the effect is expected to be moderate and of a temporary nature, until taxes become due.

Similarly, intermediaries such as notaries, who are involved in corporate procedures in a number of Member States, would benefit in terms of increased legal certainty from the harmonised corporate framework and increased efficiency from more efficient and digitalised procedures. At the same time, there might be overall some one-off adjustment costs to adapt

intermediaries' existing workflows and IT tools to digitalised and simplified procedures for 28th regime companies. The cost ceiling of EUR 100 for registration would entail reduced revenue for intermediaries, and in particular notaries, in Member States where they are involved in those procedures, and similarly, the removal of mandatory intermediary involvement for share transfers would lead to revenue losses for them in those Member States where intermediaries are involved in share transfers.

- **Regulatory fitness and simplification**

This proposal has an important dimension in terms of reducing administrative burden and simplification, including through digitalisation and application of the “once-only principle”. In particular, as described above, the proposal is expected to considerably reduce the burdens faced by companies that choose to operate under the 28th regime throughout their lifecycle, including through simpler and more efficient registration procedures with the application of once-only principle and no need to pay in minimum share capital at incorporation, the introduction of a common EU-ESO scheme for employee stock options with a harmonised timing of taxation, and measures to simplify and digitalise closure procedures for 28th regime companies. It would also simplify the operational phase by introducing digital tools for corporate law procedures and allowing for online shareholder and board of director meetings. The proposal would also strongly improve the investment environment for 28th regime companies and investors by reducing administrative burden thanks to, among others, digital procedures and simplifications of capital operations, including capital increases and share transfers estimated to amount to EUR 1 780 – EUR 2 850 for a share transfer transaction and around EUR 1 100 per financing round.

As most of the newly formed 28th regime companies are likely to be set up by natural persons and be SMEs, the estimated overall administrative burden reduction of between EUR 328 million to EUR 440 million over a period of 10 years would mostly benefit this group of enterprises. In addition, some existing SMEs could also choose to become 28th regime companies and some others would benefit indirectly, e.g. as business partners or subcontractors. The initiative will also in particular benefit start-ups and scale-ups as it responds in many of its features to their needs.

By harmonising and strengthening the regulatory framework for companies in the single market, the proposal would make the EU a more attractive location for innovative and growth-oriented companies and therefore, contribute to the EU's competitiveness. It would provide common rules throughout the EU Single Market and the 28th regime company would be recognised in all Member States, which would offer a strong advantage as compared to other jurisdictions. The possibility for an affordable and fast incorporation of 28th regime companies would encourage European founders to set up their companies in the EU and the proposal would also enhance the EU's attractiveness as a place to scale and exit companies, and to attract and retain employees, as a viable alternative to non-EU jurisdictions. More efficient approaches to closure of solvent and insolvent companies should also have a positive impact on competitiveness as they should reduce the costs of closure, currently considered higher in the EU as compared to other jurisdictions.

This proposal puts forward a digital-by-default corporate legal framework with “digital-only” rules and processes applicable throughout the company lifecycle of EU Inc. companies, without paper-based alternatives. In particular, it provides for fully online registration of EU Inc. companies, through an EU central interface to be created through BRIS, with digital templates; digital tools important for EU Inc. company's operations, including a possibility for online shareholder and board of director meetings; and fully digital procedures to create an enabling framework to invest, including for increases of capital, issuing shares and share

transfers. The proposal also introduces a “once-only” submission of information followed by the digital transmission of company information from business registers to other relevant authorities, e.g. authorities in charge of issuing the TIN and the VAT identification number, social security authorities and beneficial ownership registers in the context of registration of EU Inc. companies, which will allow for efficient and more secure corporate processes and contribute to tackling possible abuses by ensuring that those authorities use the same verified company information from business registers. Moreover, the proposal introduces an overall duty for public authorities to consult EU Inc. information publicly available at EU level, in particular through BRIS in cross-border procedures. Digitalisation is also an important element of procedures for closure of companies, both in case of a liquidation of solvent EU Inc. companies and as regards insolvency proceedings.

This approach responds to needs of companies, and in particular digital-native startups and scaleups, whereby an overwhelming majority of stakeholders during the consultation activities confirmed their preference for digital only processes. At the same time, the proposal leaves flexibility to companies to opt for other approaches, e.g. for hybrid meetings of shareholders and boards of directors, according to their needs.

- **Fundamental rights**

By simplifying the regulatory framework and reducing fragmentation through the introduction a harmonised set of corporate rules, this proposal will facilitate the implementation of Article 15(2) of the EU Charter of Fundamental Rights and will have a positive impact on the freedom to conduct business set out in Article 16 of the Charter. The proposal will require certain processing that will interfere with the right to protection of personal life as laid down in Article 7 and right to personal data protection as laid down in Article 8 of the EU Charter of Fundamental Rights. Most notably, the proposal will require the public disclosure of and cross-border access to certain information in relation to EU Inc. companies in national business registers and through BRIS. Moreover, similar data is already made publicly available for existing limited liability companies in Member States and through BRIS. Furthermore, the EU central interface for registration of and filing by EU Inc. companies will collect company related data and forward it to the national business register without permanently storing it at EU level. As it is also currently the case, the Commission and the Member States will be required to ensure the protection of personal data in line with Article 8 of the Charter and the EU law on data protection including the relevant case-law. Similarly, the authorities in charge of issuing the TIN and the VAT identification number, social security authorities, other relevant authorities and beneficial ownership registers will also be required to ensure the protection of personal data received in the context of registration of an EU Inc. company or its cross-border branch in accordance with Article 8 of the Charter and the EU law on data protection including the relevant case-law. Finally, given that the proposal requires EU Inc. companies to establish a digital share register, it will facilitate the compliance with the Charter and the EU data protection rules by requiring that the articles of association include core elements of data protection related to such a share register.

4. BUDGETARY IMPLICATIONS

The proposal is expected to have budgetary impact for Member States, which was estimated in the impact assessment for this proposal and is described in the section above about the impact assessment.

As regards the impact on the EU budget, this proposal enlarges the scope of the BRIS system, including new exchanges of information between business registers and the establishment of an EU central interface, for the formation of EU Inc. companies and for them to file

documents and information during their lifecycle, which will be further developed towards a central digital register for EU Inc. companies.

This will require the further development of existing technical specifications and standards for BRIS, further hardware allocation and software development work on the IT system and coordination of the activities undertaken by national authorities to put the required IT developments into place at national level.

To carry out these tasks, it will be necessary to increase the current resources in the Commission working on BRIS in terms of financial and human resources. The funds currently provided for regular maintenance of the BRIS system will need to be increased through the next financial cycle for the further development of BRIS by the Commission, including the establishment of the EU central interface based on BRIS, the further development into a central digital register and the extended exchange of information between business registers (including studies, preparation work, development and testing, as well as new hardware allocation).

5. OTHER ELEMENTS

• Implementation plans and monitoring, evaluation and reporting arrangements

The Commission will provide guidance as necessary (through close cooperation with national company law experts in the CLEG, bilateral advice) to support Member States in efficiently implementing the EU Inc. corporate legal framework in practice across the EU. The Commission will also closely cooperate with Member States as regards the further development of BRIS required for this proposal.

The Commission will monitor the application of this proposal to assess if it is meeting its objectives. Among others, monitoring will include analysing the take up of the EU Inc. new legal form, how the EU Inc. companies were formed and how many were created through the EU central interface and with harmonised templates. The impacts of measures regarding different stages of the EU Inc. companies' lifecycle will also be analysed, such as for instance the use of online general meetings in EU Inc. companies, share of EU Inc. companies implementing the EU-ESO, successful investment rounds of EU Inc. companies or the use of simplified solvent liquidation procedures. The relevant information would be gathered, among others, through data in BRIS and in business registers, from national authorities involved in the procedures under the EU Inc. corporate legal framework, through targeted contacts with relevant stakeholders, and targeted surveys or studies if necessary.

The Commission will also evaluate the effectiveness, efficiency, coherence and EU added value of this proposal no sooner than five years after its entry into force to allow the necessary period for its implementation and evidence collection in Member States.

• Detailed explanation of the specific provisions of the proposal

Chapter I: General provisions.

This first chapter defines the subject matter of the proposal as well as the main features of the harmonised limited liability company (EU Inc.), which rules are laid down in this proposal. It also lists the main definitions.

EU Inc. companies are limited liability companies that can be formed by one or more natural or legal persons, from scratch or through domestic or cross-border conversions, mergers or divisions. Those companies acquire a legal personality by virtue of registration in the business register of the Member State where they have their registered office and they are recognised

by every Member State. Founders are free to choose where to incorporate the company within the Union.

EU Inc. is governed by this Regulation, by its articles of association and for other matters, by national law, including the provisions implementing Union law, which applies to relevant national legal forms in the Member State in which the EU Inc. has its registered office.

The Regulation requires an EU Inc. to have a distinct and clear name, followed by the mention “EU Inc.” and the same principles apply to names of the EU Inc. branches.

The Regulation sets out the requirements for articles of association of an EU Inc., including the minimum content laid down in the Annex. The articles of association need to be machine-readable and store information in structured data. They need to be drawn up in the official language or languages of the Member State of the registration and in a language customary in the sphere of international business and finance. The articles of association can be either standardised or tailor-made.

The EU templates are standard (model) articles of association, and when they are used as part of the formation procedure, any national requirement to have the company articles of association drawn up and certified in due legal form is deemed to be fulfilled.

An EU Inc. must have its registered office in a Member State and is required to also have its central administration or principal place of business in the Union.

The Regulation provides a principle of digital only procedures for EU Inc. companies, whereby they are entitled to carry out all procedures within the scope of the Regulation fully online. A physical presence can be requested by a public authority only in exceptional and duly justified circumstances for a legitimate objective, such as to prevent identity misuse or ensure compliance with the rules on legal capacity. The communications between the EU Inc. company and its shareholders including subscribers and purchasers of shares should in principle be also carried out fully online.

All company law procedures applying to an EU Inc. during its life cycle, including payments needed for these procedures, are designed to be carried out fully online, without requiring physical presence, except in exceptional and justified circumstances.

The EU Inc. is subject to the employee participation rules applicable in the Member State in which it has its registered office. Where it is created through a cross-border conversion, division or merger or carries out such operation, it is subject to the procedures, including safeguards with respect to employee participation, set out in Directive (EU) 2017/1132.

Chapter II: EU central interface, formation and filing.

This chapter covers the procedure for formation of an EU Inc. company, either through an online EU central interface, based on BRIS, allowing for a “fast-track” formation procedure within 48 hours and with a maximum cost of EUR 100, or through a fully online formation with the national business register. In both cases, an application form has to be submitted. Standardised articles of association are mandatory for the “fast-track” formation procedure. In other cases, standardised or tailor-made articles of association can be used. The identification of founders, and their signature shall be in accordance with the eIDAS Regulation. The rules include preventive control and a provision that a director who is disqualified in one of the Member States cannot become a director of an EU Inc.

The EU templates, the application form and relevant detailed, step-by-step guidance for the formation and filing by an EU Inc. will be available on the EU central interface in all Union languages. The EU central interface will also provide automatic cross-checks with existing names of companies registered in national business registers and with trademarks, through a

connection between BRIS and the IT tools developed by the European Union Intellectual Property Office (EUIPO) central database for registered trade marks).

An EU Inc. subsidiary in another Member State can also be formed through the EU central interface or fully online with a national business register. The company that is forming the EU Inc. subsidiary shall not be requested to provide any documents or information that are available in BRIS. Instead, the business register registering the subsidiary shall automatically retrieve from BRIS, and on the basis of the EUID, the information and documents about the company forming the subsidiary.

The information about the EU Inc., including the EUID, as well as the specific data for the purposes of issuing the tax identification number (TIN) and the VAT identification number and for the beneficial ownership register submitted as part of the application form shall be digitally exchanged by the business register of the registration, with the authorities in charge of issuing the TIN and the VAT identification numbers, social security authorities and the beneficial ownership register in the Member State of registration. EU Inc. companies shall obtain the TIN and VAT identification numbers as part of the electronic exchange without being requested to submit a separate application to those authorities or provide additional information unless for the purpose of issuing the VAT identification number additional information cannot be retrieved elsewhere and is strictly necessary.

Chapter III: Accessibility and cross-border use of EU Inc. information.

The Regulation harmonises which key information and documents related to an EU Inc., as well as changes to those, need to be made publicly available by the business register in which the EU Inc. is registered. The Regulation distinguishes between documents and information to be filed by EU Inc. founders or directors such as, for example, the name and the legal form, the registered office or the articles of association; those to be filed by competent courts and other relevant public authorities, including for instance any declaration of nullity; and those which are allocated by the business register, such as e.g. EUID or status of the EU Inc. company. The Regulation also sets out which documents and information should be made available at Union level through BRIS, and which of those, free of charge.

The Regulation provides for fully online filing of information and documents either through the EU central interface or directly to national business registers. It also sets out deadlines for filing by EU Inc. companies to ensure that the information and documents stored in business registers are up to date. The deadlines vary depending on the type of documents to be filed and the way of filing; in case of amendments within the EU template structure filed through the EU central interface the deadlines and cost limit of the fast-track registration procedure would apply.

To enhance cross-border use of EU Inc. data, the Regulation sets out an overall once-only principle whereby an EU Inc. should not need to resubmit its information in administrative and judicial procedures where the responsible authorities can consult this specific information through BRIS or in the relevant business register.

The EU Inc. companies need to disclose their identity through their official business communications and electronic presence, and the Regulation lists the most relevant information required in that context. This chapter also provides for the development of a central digital register.

Similarly to other EU limited liability companies, EU Inc. companies will be able to use an EU Company Certificate, issued and certified by business registers and including essential company information about the EU Inc., and a digital EU power of attorney as a means to authorise a person to represent the EU Inc. in specific cross-border procedures. The

Regulation provides for compatibility of these tools with EU Digital Identity Wallets and the forthcoming Business Wallets. The Regulation also exempts certified copies of documents and information related to EU Inc. obtained from business registers from legalisation or similar formalities, including apostille. Similarly, the Regulation also exempts notarial acts or administrative documents and for documents and information exchanged through BRIS, such as pre-operation certificates from legalisation or similar formalities, including apostille. At the same time, it provides safeguards, also available for other EU limited liability companies, in case authorities in another Member State have a reasonable doubt as to the origin or authenticity of the presented document or information. It also limits requirements for translations of copies or extracts of documents related to EU Inc., in particular certified ones.

This Regulation also sets out provisions relevant to BRIS and lists the issues to be addressed in the future implementing act to this Regulation.

Chapter IV: Cross-border branches.

EU Inc. companies are free to open branches in other Member States than the Member State where the EU Inc. is registered, through the EU central interface or fully online with the national business register with an application form, which should be fully digital and collect information as structured data. The business register registering the branch, following the once-only principle, needs to automatically retrieve through BRIS and on the basis of the EUID the information about the EU Inc. company, without the EU Inc. needing to submit that information for the purpose of the branch registration again.

Following the same principle as for the registration of EU Inc. companies, the information about the EU Inc. and the branch received as part of the application form, and other relevant information available in that business register and through BRIS, such as the EUID, should be electronically exchanged by that business register with the authorities in charge of issuing the TIN and VAT identification numbers, social security authorities and the beneficial ownership register. The branch of the EU Inc. shall obtain the TIN and the VAT identification number as part of this electronic exchange. Neither the EU Inc. nor its branch should be required to submit a separate application to those authorities or provide additional information, unless for the purpose of issuing the VAT identification number additional information cannot be retrieved elsewhere and is strictly necessary.

Chapter V: Organisation.

The organisation and the conditions under which the EU Inc. company is managed are governed by the articles of association. The EU Inc. company is managed by a board of directors, which can be composed of one or several directors. At least one of them must be a Union resident. Directors are appointed by the general meeting, which may also give them binding instructions.

Directors are in charge of representing the company. They are subject to a set of duties, including the duty to act in the best interests of the company and in accordance with the articles of association. They are also liable to the company for any breach of duty that causes loss or damage to the company. Where directors take business decisions in good faith and with reasonable care, they are protected from liability by the business judgment rule. Likewise, directors cannot be held liable by the company where they act upon a lawful resolution of the general meeting.

Directors in an EU Inc. company must generally inform the company of a conflict of interest and refrain from taking part in decisions on matters in which they have such conflict. The articles of association may subject transactions between the company and directors or other related parties to specific disclosure and approval requirements.

General meetings, meetings of the board of directors and voting procedures may be organised and held fully or partly online. As regards decisions of the shareholders, a simple majority is generally sufficient for their adoption. As regards amendments to the articles of association and decisions affecting class rights, the Regulation provides for specific majority or approval requirements.

To protect minority shareholders from severe cases of unfair prejudice, the Regulation grants shareholders the right to apply to the court for their withdrawal from the EU Inc. company.

Chapter VI: Digital register, shares and share transfers.

This chapter addresses the way shares of an EU Inc. company, which are always dematerialised, are digitally registered by the company and transferred. The digital register of shares should include all relevant information about the shares of the EU Inc. and information on any change in their ownership. On the basis of this data, the company is able to provide a digital certificate to each shareholder. The registration of shares has constitutive effect and enables shareholders to exercise their rights.

The rights and obligations attached to a share are equal for all shares unless the articles of association provide otherwise. The articles of association can establish multiple classes of shares with different rights and obligations attached to the shares of each class. In particular, the articles of association may provide for shares with multiple voting rights or no voting rights.

The Regulation provides for free transferability of shares of an EU Inc. company unless the articles of association provide for restrictions, such as pre-emptive rights of existing shareholders or the requirement to seek the approval of the company before a transfer is made. A transfer can be executed fully online, through electronically signed agreements, an electronic notification to the company and the registration of the change of ownership in the digital register of shares.

EU Inc. companies, where they meet all applicable requirements under the Union and national laws, may seek admission to trading of their shares on multilateral trading facilities such as SME Growth Markets and Member States may also allow them to seek admission to trading of their shares on a regulated market where all applicable requirements are met.

Chapter VII: Financing.

The provisions of this chapter establish a flexible financing framework for the EU Inc.

Shares of an EU Inc. company have no nominal value unless the articles of association provide otherwise. They accordingly do not represent a fraction of the company's capital. An EU Inc. company is also not required to have a minimum amount of capital, and conventional capital maintenance rules only apply to the extent the company chooses to build up capital. However, all distributions are subject to a balance sheet test and a solvency test which ensure that the company remains viable and able to satisfy claims of creditors. Both tests are also required for acquisitions of own shares by the company and for the redemption of shares.

Where the shares of the EU Inc. have no nominal value, the appropriate consideration for a share can be freely determined in a share issuance and it can also be freely determined if a contribution to capital has to be made or not. In addition, the Regulation does not restrict the type of consideration that can be provided for a share, allowing inter alia for in-kind considerations in the form of undertakings to perform work and services.

The subscription of the first shares is declared in the articles of association of the company, and new shares can be issued upon decisions of the general meeting, which may also authorise the board of directors or another company body to decide on a share issuance. In

addition, the general meeting can decide or authorise another company body to decide on the issuance of instruments entitling to new shares such as convertible instruments and warrants. Existing shareholders generally have pre-emptive rights on new shares issued against cash consideration and on instruments entitling to new shares, which enable them to maintain their stake in the company.

While EU Inc. companies are not required to have minimum capital, the Regulation provides the EU Inc. with the possibility to increase its capital amount at any time, either through a share issuance against consideration in the form of a capital contribution or by converting reserves to capital. Capital reductions require a modified balance sheet test, a solvency test and a report by an independent expert.

Chapter VIII: EU employee stock option plan.

This chapter gives EU Inc. companies the opportunity to establish an EU employee stock option plan (EU-ESO) under which they issue warrants to eligible persons, such as employees and members of the board of the EU Inc. company and its subsidiaries. At the end of a mandatory waiting period, decided by the general meeting when establishing the plan, the holders of such warrants can exercise their rights to acquire shares in the EU Inc. company.

Taxation of any income derived from warrants under the EU-ESO is deferred to the time when the shares obtained by exercising the warrants are disposed of.

Chapter IX: Closure of solvent EU Inc. companies.

This chapter sets out provisions, including digital procedures, in relation to dissolution and liquidation. It provides for fully online filing for dissolution by a solvent EU Inc. company to the business register and obliges the business register to instantly update the status of the company. As regards the nullity of an EU Inc. company resulting in liquidation, the Regulation sets out an exclusive list of grounds for nullity to be pronounced by a court.

The Regulation sets out once-only submission of data for the purpose of liquidation, whereby the business register of registration of EU Inc. would transmit the relevant information to the competent national authorities, who could not request the company to provide it separately. The Regulation also provides for digital filing to the business register and for digital communication between the creditors and the EU Inc. company or the liquidator.

When an EU Inc. company has ceased its economic activity and has no assets, no debts or when its creditors have given their consent, and where there are no pending judicial or administrative proceedings, the Regulation provides for a possibility of a fast-track liquidation procedure. In such case, short deadlines apply but creditors can still object to the fast-track procedure and tax administrations can oppose to it. Within approximately 3 months, the liquidation can be completed by the removal of the company from the register. The books and records are still kept for six years following the removal by an appointed person and directors are jointly and severally liable for claims still under consideration after submission or were not yet submitted during the fast-track procedure.

Chapter X: Winding-up of insolvent companies.

This chapter contains rules on simplified winding-up proceedings for EU Inc. companies that are innovative startups. National insolvency frameworks are not always fit to treat insolvent EU Inc. companies that are innovative startups properly and proportionately. The objective of the proposal is, therefore, to ensure that EU Inc. companies that are innovative startups are wound up in an orderly manner, using a swift and cost-effective proceeding. The main aim of the provisions in this chapter is to simplify the procedure and lower the associated

administrative costs. In principle, the debtor should remain in possession of the business' assets and affairs throughout the simplified winding up proceedings.

Member States should enable the use of electronic means of communication for all communications between the competent authority and, where relevant, the insolvency practitioner, and the parties to the simplified winding up proceedings. Simplified winding up proceedings may be started at the request of the debtor or at the request of a creditor. To simplify the filing procedure, a standard form will be created under an implementing act of the Commission. During the simplified winding up proceedings, the debtor should have access to a stay of individual enforcement actions.

The lodging and admission of claims by creditors in a simplified winding-up proceeding assumes that the majority of claims are lodged on the basis of a written statement submitted by the debtor. In addition to the claims included in that statement, creditors may lodge further claims. To simplify the admission procedure, claims listed in the statement of the debtor are considered as admitted, unless the creditor specifically objects to them. After the establishment of the insolvency estate, the competent authority decides if it proceeds with the realisation of the assets, or it immediately closes the simplified winding-up proceedings because the value of the assets make the realisation unreasonable.

Another cost-mitigating factor is the possibility for the court to proceed with the realisation of the assets through an electronic auction system, which each Member State should set up as part of their simplified proceedings at least for EU Inc. companies that are innovative startups. The assets of the debtor should be realised through an electronic public auction, unless the competent authority deems that the use of other means to sell the assets is more appropriate in light of the nature of the assets or the circumstances of the proceedings.

The Regulation requires Member States to establish and operate one or more electronic auction platforms for the realisation of the assets of the insolvency estate in insolvency proceedings of at least EU Inc. companies that are innovative startups. Following the example of other EU projects interconnecting decentralised electronic registers, e.g. BRIS and the Insolvency Registers' Interconnection (IRI), the Commission is required to establish a system interconnecting the national electronic auction systems via the European e-Justice Portal, which should serve as a central electronic access point. The added value of such a system of interconnection is the accessibility of all auctions through a single platform which is available in all official languages of the EU. The technical specifications of that interconnection system will be determined by way of implementing act(s).

Chapter XI: List of prohibited requirements.

This chapter sets out a list of prohibited requirements to ensure that Member States treat in law and in fact EU Inc. companies in a non-discriminatory manner vis-à-vis other legal forms as regards comparable aspects, unless it can be demonstrated that the differential treatment is justified by an objective justification and proportionate.

Proposal for a

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

on THE 28TH REGIME CORPORATE LEGAL FRAMEWORK - 'EU INC.'

(Text with EEA relevance)

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,
Having regard to the Treaty on the Functioning of the European Union, and in particular Article 114 thereof,
Having regard to the proposal from the European Commission,
After transmission of the draft legislative act to the national parliaments,
Having regard to the opinion of the European Economic and Social Committee²¹,
Acting in accordance with the ordinary legislative procedure,
Whereas:

- (1) The Commission Communication of 29 January 2025 entitled ‘A Competitiveness Compass for the EU’²² proposed a 28th regime to make it possible for innovative companies to benefit from a single, harmonised set of rules wherever they invest and operate in the internal market. The Commission Communications of 21 May 2025 entitled ‘The Single Market: our European home market in an uncertain world. A Strategy for making the Single Market simple, seamless and strong’²³ and of 28 May 2025 entitled ‘The EU Startup and Scaleup Strategy Choose Europe to start and scale’²⁴ further announced that the 28th regime would include an EU corporate legal framework based on digital-by-default solutions.
- (2) The European Council called on the Commission, in March and October 2025, to propose in line with the respective competences under the Treaties without delay an optional 28th company law regime allowing innovative companies to scale up. The European Parliament resolution “The 28th regime: a new legal framework for innovative companies” of 20 January 2026 called for an ambitious proposal focusing on company law rules and introducing a new corporate form into national laws for limited liability companies not listed on the stock market, while also, among others stressing the need for measures to facilitate employee stock ownership, ensure more efficient dispute resolution and provide strong safeguards to protect employee participation rights.
- (3) The 27 national legal systems with distinct rules, procedures and national legal forms for limited liability companies create a fragmented and complicated corporate

²¹ OJ C , , p. .

²² [Competitive Compass](#), January 2025

²³ [Single Market Communication](#), May 2025

²⁴ [EU Startup and Scaleup Strategy Communication](#), May 2025

landscape in the Union, resulting in legal uncertainty and costs for founders, companies as well as Union and third country investors. Therefore, in order to boost the Union competitiveness, it is necessary to simplify the regulatory framework and reduce fragmentation through the approximation of laws, in particular by introducing a harmonised set of corporate rules, including a new harmonised national legal form covering the lifecycle of a company including liquidation and insolvency. Harmonised rules are also needed to enable companies to attract private investment through common fast, digital and cost-effective rules and procedures, which would make it easier for high-growth companies to scale up in the internal market and enable both Union and third country investors to invest in companies as well as offer such investors with more flexible exit options to liquidate their investment.

- (4) A harmonised corporate framework should be set out with a new harmonised legal form of a limited liability ‘EU Inc.’ company. This new company legal form should be introduced in the national legal orders of all Member States. The framework and the specific features of the new national legal form draw on the diversity of national rules and procedures and harmonise those rules and procedures in order to meet the needs of companies, in particular start-ups and scale-ups, and their Union and third country investors. As other national legal forms, the EU Inc. should be incorporated in a Member State and generally be governed by the law of the Member State of registration. At the same time, it should benefit from a harmonised set of rules introduced by this Regulation. Such harmonisation would facilitate cross-border business in the internal market and investment by Union and third country investors in such companies and ensure that those rules and procedures result in reduced administrative burden and costs for founders and companies as well as for investors.
- (5) The EU Inc. framework set out in this Regulation responds in particular to the needs of startup and scaleup companies but should be legally open to all founders and companies who see it fit for their business model. Both natural and legal persons should be able to form an EU Inc. company. It should be possible to create an EU Inc. company *ex nihilo* and existing companies should be also able to convert into EU Inc. companies. Furthermore, existing companies, including EU Inc. companies, should also be able to set up EU Inc. subsidiaries, making the EU Inc. company legal form available for groups of companies. In addition, in particular to ensure that scale-ups could benefit from the EU Inc. framework, it should be possible to create an EU Inc. company through a domestic division or merger, or by carrying out a cross-border conversion, merger or division in accordance with the rules already harmonised by Directive (EU) 2017/1132 of the European Parliament and of the Council²⁵.
- (6) In order to ensure a common and unified corporate legal framework for EU Inc. companies regardless of the Member State in which they are incorporated, aspects relating to corporate matters should generally be governed by this Regulation or by the articles of association of EU Inc. companies. National law should apply to all matters where this is provided for by this Regulation and for matters not covered by this Regulation.
- (7) EU Inc. companies formed in the Member State of registration and operating across the Union in accordance with the provisions of this Regulation should be recognised

²⁵ Directive (EU) 2017/1132 of the European Parliament and of the Council of 14 June 2017 relating to certain aspects of company law (OJ L 169, 30.6.2017, p. 46), ELI: <http://data.europa.eu/eli/dir/2017/1132/oj>

in all Member States. To this end, these companies should add to their name the common, distinct and clear denomination ‘EU Inc.’. This denomination should be used unaltered and should not be translated. The ‘EU Inc.’ denomination would increase transparency and strengthen trust by ensuring that business partners, investors, other stakeholders and consumers as well as public authorities know that they are dealing with a company with the same harmonised features across the Union. As of registration, an EU Inc. company would acquire legal personality, being a body corporate with the name contained in its articles of association and having perpetual succession.

- (8) To ensure legal certainty when using the common denomination ‘EU Inc.’ across the internal market, it is important that no more than one company operates under the same name. Therefore, the company name with the denomination ‘EU Inc.’ should be subject to specific rules to ensure that the name is fit for its use and unique for each company. Similarly, subsidiaries within a group should have distinguishable names, while branch names should include the unique name of the EU Inc. company that they are part of. Names which are misleading, for example where the company name refers to a public function or ownership that does not exist or suggests a purpose or object of the company that is not in accordance with its articles of association, should be prohibited. The automatic verification based on a connection between the Business Register Interconnecting System (BRIS) and the IT tools developed by the European Union Intellectual Property Office (EUIPO) central database for registered trade marks should make it easier to check that the proposed name of the EU Inc. company does not conflict with an already registered trade mark. Such connection should also serve for indicative purposes to EUIPO to inform trade mark applicants whether a trade mark is identical or similar to the name of an existing EU Inc. company.
- (9) The articles of association constitute the fundamental legal framework of a company, defining its internal organisation. However, Member States have divergent rules in that regard. In some Member States, companies need to have two separate documents, namely the instrument of constitution and the statutes (articles of association) and in other Member States one document is necessary. For the EU Inc., there is a need to harmonise those rules. Accordingly, regardless of the Member State of registration, the articles of association for the EU Inc. should be laid down in one single document and include a certain minimum content. Given the fundamental importance of the articles of association for business partners, public authorities, creditors, including from other Member States, and in particular for the Union and third country investors, they should exist both in the national language or languages of the Member State of registration of the EU Inc. company and in a language customary in the sphere of international business and finance. The availability of the articles of association in a language customary in the sphere of international business and finance would ensure that information about EU Inc. can be easily accessed and understood not only by stakeholders across the internal market, but also by third country investors.
- (10) While it should be possible for the founders to form an EU Inc. company with tailor-made articles of association, harmonised and multilingual EU templates for articles of association for EU Inc. companies should be established. Otherwise, the existence of 27 different national templates for articles of association would preserve the fragmentation and extra costs for founders and companies. The harmonised EU templates, by providing model articles of association across the Union, would enable

a quick centralised registration process while ensuring that any formal requirements related to the articles of association are fulfilled.

- (11) Each EU Inc. company, like any other Union company, should be subject to the fundamental freedoms including the case-law of the Court of Justice of the European Union. Therefore, an EU Inc. company may be established in any Member State and choose where it carries out its main economic activities. This means that the founders of an EU Inc. company should be able to choose in which Member State to incorporate an EU Inc., and therefore, in which Member State it would have its registered office. EU Inc. cannot be required to have its central administration or principal place of business in the same Member State as its registered office. All Member States should recognise the legal capacity of an EU Inc. company lawfully incorporated in another Member State.
- (12) Fully digital procedures are necessary to enable a truly efficient and competitive company set-up, operations and investment procedures that can attract both founders and investors. Therefore, while considerable progress has already been made with digitalisation of the existing Union company law, including through Directives (EU) 2019/1151²⁶ and (EU) 2025/25 of the European Parliament and of the Council²⁷, the corporate legal framework for EU Inc. should go further in harmonising rules and procedures by providing “digital-only” rules and processes applicable throughout the company lifecycle including as regards investment-related communications and procedures. Fully digital procedures should also apply where the completion of a procedure requires a payment. In that regard, it is appropriate to ensure that such payment can be made by means of widely available cross-border payment services, such as credit cards, bank transfers and any other commonly used payment instruments.
- (13) When adopted, the European Business Wallets [*PO: Reference to Proposal for a Regulation of the European Parliament and of the Council on the establishment of European Business Wallets*] will support companies in business-to-business and business-to-government communications. The EU Inc. as other companies, once formed and registered in the business register, should be able to purchase it in order to securely authenticate, store and share documents. This Regulation ensures compatibility between the European Business Wallets and key digital tools, such as the EU Company Certificate and the digital EU power of attorney, for EU Inc. companies to take full advantage of the capabilities of the European Business Wallets. The European Business Wallets, together with trust services, should also constitute one of the options for EU Inc. companies to sign forms when registering a branch or setting up a subsidiary.
- (14) Regulation (EU) 2018/1724 of the European Parliament and of the Council²⁸, which establishes the Single Digital Gateway, provides for general rules related to online

²⁶ Directive (EU) 2019/1151 of the European Parliament and of the Council of 20 June 2019 amending Directive (EU) 2017/1132 as regards the use of digital tools and processes in company law (OJ L 186, 11.7.2019, p. 80), ELI: <http://data.europa.eu/eli/dir/2019/1151/oj>

²⁷ Directive (EU) 2025/25 of the European Parliament and of the Council of 19 December 2024 amending Directives 2009/102/EC and (EU) 2017/1132 as regards further expanding and upgrading the use of digital tools and processes in company law (OJ L, 2025/25, 10.1.2025), ELI: <http://data.europa.eu/eli/dir/2025/25/oj>

²⁸ Regulation (EU) 2018/1724 of the European Parliament and of the Council of 2 October 2018 establishing a single digital gateway to provide access to information, to procedures and to assistance

provision of information, procedures and assistance services relevant for the functioning of the internal market. Regulation (EU) 2018/1724 covers a wide range of administrative procedures set out in Annex II to that Regulation, which the EU Inc. companies, as other companies, will be able to benefit from. At the same time, as specified in Annex II to that Regulation, the company law and insolvency procedures for all companies, thus including procedures for EU Inc. companies laid down in this Regulation, are excluded from its scope.

- (15) The Your Europe portal provides online access to information about rules and procedures stemming from Union and national law for businesses and citizens, in the areas specified in Regulation (EU) 2018/1724, including information related to starting, running and closing a business. In this context, information about the EU Inc. legal form and procedures regarding starting, running and closing an EU Inc., including links to information available on national registration websites, should be publicly available through the Your Europe portal, in accordance with Regulation (EU) 2018/1724 and Annex I to that Regulation.
- (16) It is important to ensure that the EU Inc. corporate legal framework provides an easily recognisable but also reliable and trustworthy legal form for founders, companies, investors and other stakeholders and that this legal form cannot be used to circumvent rights, including notably employees' rights to participation in company boards. Therefore, where employee participation rules exist in the Member State in which an EU Inc. has its registered office, those rules apply to that company. This ensures equal treatment between EU Inc. companies and comparable national company forms and safeguards existing national protections and acquired employee rights. It is also hereby recalled that Regulation (EC) 593/2008 of the European Parliament and of the Council²⁹ applies to individual employment relationships involving an EU Inc. company.
- (17) In case an EU Inc. company is created through or carries out a cross-border conversion, merger or division, such operations should follow the rules and procedures set out in Title II of Directive (EU) 2017/1132. Therefore, for example in case an EU Inc. carries out a cross-border conversion, it would convert into an EU Inc. of the destination Member State. Overall, those rules and procedures in Directive (EU) 2017/1132 aim to facilitate the cross-border mobility while providing effective safeguards for employees, minority shareholders and creditors. With a view to preserving existing employees' rights of participation, where applicable, , the Directive provides that the company carrying out such a cross-border operation should enter into negotiations with its employees or their representatives once a threshold specified in the Directive is met, with a view to finding an amicable solution that reconciles the right of the company to carry out a cross-border operation with the employees' rights of participation.
- (18) As for other limited liability companies, the Union legal framework regarding the information and consultation of employees, including Directive 2002/14/EC³⁰ and

and problem-solving services and amending Regulation (EU) No 1024/2012 (OJ L 295, 21.11.2018, p. 1), ELI: <http://data.europa.eu/eli/reg/2018/1724/oj>

²⁹ Regulation (EC) No 593/2008 of the European Parliament and of the Council of 17 June 2008 on the law applicable to contractual obligations, Rome I (OJ L 177, 4.7.2008, pp. 6–16), ELI: [Regulation - 593/2008 - EN - Rome I Regulation - EUR-Lex](#)

³⁰ Directive 2002/14/EC of the European Parliament and of the Council of 11 March 2002 establishing a general framework for informing and consulting employees in the European Community - Joint

Directive 2009/38/EC of the European Parliament and of the Council³¹, as well as Council Directive 2001/23/EC³² and Council Directive 98/59/EC³³, should also apply to EU Inc. companies where appropriate.

- (19) The creation of an EU Inc. through a domestic or cross-border merger is without prejudice to the application of the legislation on the control of concentrations between undertakings, both at Union level, by Council Regulation (EC) No 139/2004³⁴, and at Member State level.
- (20) The formation of an EU Inc. and in particular the articles of association, and any amendments thereof, should be subject to preventive administrative judicial or notarial control and a legality check, as set out in this Regulation, to ensure their reliability and facilitate their use especially in cross-border situations. As with any other company form, the preventive control is essential for prevention of abusive or fraudulent letter-box companies linked to tax evasion or money laundering. At the same time, a harmonised and efficient preventive control is also key to reducing administrative formalities in the use of company information by companies, as e.g. business partners, creditors and public authorities, and to ensuring mutual recognition, and therefore, the efficient application of the “once-only” principle.
- (21) In order to allow founders to easily set up an EU Inc. through a Union level centralised infrastructure regardless in which Member State they want to set up an EU Inc. company, the Commission should provide for a centralised, user-friendly ‘EU central interface’ which should allow the completion of the relevant procedures without having to use 27 divergent national ones. The EU central interface should be built as part of the business registers interconnection system (BRIS), which connects all Member States’ business registers and provides means of cross-border secure exchanges between business registers via the platform. The EU central interface should securely transmit the information and documents to the business register of the Member State in which the EU Inc. company is to be registered and the business registers should automatically exchange the relevant information with the preventive control authorities. The interface should also allow founders, or their authorised representatives, to track in real time the status of the registration of the EU Inc. company.
- (22) The EU central interface should provide for a “fast track” company formation procedure including preventive administrative, judicial or notarial control within 48 hours and at a maximum cost of EUR 100 where the EU Inc. is formed by using the harmonised application form and EU templates for articles of association. The application form and EU templates should be made available in a machine-readable and searchable format to foster cross-border interoperability and facilitate the

declaration of the European Parliament, the Council and the Commission on employee representation (OJ L 80, 23.3.2002, pp. 29–34)

³¹ Directive 2009/38/EC of the European Parliament and of the Council of 6 May 2009 on the establishment of a European Works Council or a procedure in Community-scale undertakings and Community-scale groups of undertakings for the purposes of informing and consulting employees (Recast) (OJ L 122, 16.5.2009, pp. 28–44)

³² Council Directive 2001/23/EC of 12 March 2001 on the approximation of the laws of the Member States relating to the safeguarding of employees' rights in the event of transfers of undertakings, businesses or parts of undertakings or businesses (OJ L 82, 22.3.2001, pp. 16–20)

³³ Council Directive 98/59/EC of 20 July 1998 on the approximation of the laws of the Member States relating to collective redundancies (OJ L 225, 12.8.1998, pp. 16–21)

³⁴ Council Regulation (EC) No 139/2004 of 20 January 2004 on the control of concentrations between undertakings (the EC Merger Regulation) (OJ L 24, 29.1.2004, pp. 1–22)

automatic exchange of data between public authorities and should be available on the EU central interface. Similarly, existing companies, including EU Inc. companies, should be able to set up a subsidiary through the same procedure. In this context, the information about the company setting up the subsidiary should be automatically retrieved from BRIS by the business register in which the subsidiary is to be registered. In addition, founders and companies should also have the possibility to form a company with tailor-made articles of association or set up a company directly with national business registers.

- (23) In order to further simplify and streamline the digital registration and filing as well as to provide optional guided forms and models for EU Inc. companies, the Commission should further develop the EU central interface towards a central digital register for EU Inc. companies, building on the functionalities of the registers of the Member States and the existing interconnection infrastructure.
- (24) This Regulation should not affect sectoral Union or national legislation related to specific business activities. However, in order to ensure the timely online formation of an EU Inc. company or online registration of an EU Inc. branch, Member States should not make that formation or registration conditional on obtaining any licence or authorisation before that formation or registration can be completed, unless national law so provides for the purpose of ensuring that there is proper oversight of certain activities.
- (25) In the context of setting up a company, national law often requires founders to separately submit information about the company to several public authorities for tax, social security or anti-money laundering purposes. This leads to delays and extra costs to start running the new business. Therefore, in order to reduce administrative burden and costs and ensure the quick completion of procedures, these rules and procedures should be harmonised by ensuring a “once-only” data exchange between the business register of registration of an EU Inc. and the relevant national authorities. The application of the once-only principle in relation to tax authorities, social security authorities and the beneficial ownership registers would also contribute to tackling possible abuses by ensuring that business registers share data with other authorities as well as the beneficial ownership register, and all use the same company information.
- (26) In case of such a once-only submission of information, the business register of registration of the EU Inc. should automatically transfer the relevant company data, including the European Unique Identifier (EUID), to the authorities responsible for the issuance of the tax identification number (TIN) and the VAT identification number, to social security authorities, as well as to the beneficial ownership register, without founders and companies having to resubmit the information to those authorities. The specific data needed for obtaining the TIN and the VAT identification number and required by the beneficial ownership register, submitted in the application form, should also be part of the automatic transfer. In addition, the EU Inc. should obtain the TIN and the VAT identification number through this digital exchange without needing to submit a separate application, except in limited justified cases where the authorities in charge of issuing the VAT identification number require additional case-specific information.
- (27) In order to increase trust in and transparency about EU Inc. companies, to provide third parties with reliable information and to facilitate EU Inc. companies’ operations and activities in the internal market, it is crucial to ensure easy access to information

about EU Inc. companies. Therefore, a harmonised set of information about EU Inc. should be made available at Union level through BRIS at the E-Justice portal thanks to the use of multilingual labels, and also in the national business registers, as it is the case for information about other Union companies. In addition, to facilitate communication with stakeholders, EU Inc. companies should disclose their identity through their official business communications and electronic presence, thereby enabling stakeholders to easily identify and contact the company, and be informed of the most relevant information about EU Inc. companies, including their EUID. All stakeholders, including companies, authorities and the public at large, need to be able to rely on company information for business purposes or in administrative procedures such as tax or labour related procedures including posting of workers or judicial proceedings. Therefore, it is important to ensure that information about EU Inc. publicly available through BRIS and in the national business registers is reliable and kept up to date as is the case with information about other EU companies. Trustworthy and up-to-date information also contributes to the fight against fraud and abuse and ensures its use without further formalities in cross-border situations.

- (28) The reliable and up-to date information about EU Inc. companies at Union level through BRIS and in the national business registers should cover information throughout the company lifecycle including its liquidation. The national public authorities should thus be able to fully benefit from this information. At the same time, they should be required to access and consult it without asking EU Inc. companies to separately provide information unless information and documents are needed to fulfil specific procedural requirements such as completing the relevant tax declaration or proving an offer in the context of a public procurement procedure. To further facilitate access to such information, national authorities should have the possibility to directly connect to BRIS through national optional access points. Similarly, the Commission may establish optional access points to systems developed and operated by the Commission or by other Union institutions, bodies, offices or agencies to perform their administrative functions or to comply with provisions of Union law such as the optional access point opened by the European Banking Authority in the context of Regulation (EU) 2022/2554 of the European Parliament and of the Council³⁵.
- (29) In order to facilitate its cross-border activities in the internal market, an EU Inc. company should be able to prove that it is legally incorporated in a Member State through simple and reliable means, which other Member States should be required to recognise. Therefore, EU Inc. companies, as other Union companies, should be able to use a harmonised EU Company Certificate, introduced by Directive (EU) 2025/25, for different purposes, including in administrative procedures before national authorities or Union institutions and bodies and in judicial proceedings in other Member States. The EU Company Certificate includes essential company information about EU Inc and is issued and certified by national business registers and available in all official languages of the Union. In addition, EU Inc. should be able to use, as other Union companies, the digital EU power of attorney, which was also introduced by Directive (EU) 2025/25, in order to authorise a person to represent the company in specific procedures with a cross-border dimension. The

³⁵ Regulation (EU) 2022/2554 of the European Parliament and of the Council of 14 December 2022 on digital operational resilience for the financial sector and amending Regulations (EC) No 1060/2009, (EU) No 648/2012, (EU) No 600/2014, (EU) No 909/2014 and (EU) 2016/1011 (OJ L 333, 27.12.2022, pp. 1–79), ELI: <http://data.europa.eu/eli/reg/2022/2554/oj>

digital EU power of attorney should be accepted as evidence of the authorised person's entitlement to represent the EU Inc.

- (30) In order to further facilitate cross-border procedures and reduce administrative burden, an EU Inc. should be able to use its company information in cross-border situations, including when dealing with competent authorities or in judicial proceedings in another Member State without burdensome formalities. Therefore, Member States should not be able to require legalisation or any similar formality, such as an apostille, in respect of certified copies of documents and information related to EU Inc. obtained from business registers. Similarly, no legalisation or similar formality should be required for notarial acts or administrative documents and for documents and information exchanged through BRIS, such as pre-operation certificates. At the same time, in order to prevent fraud or forgery, the existing safeguards set out in Directive (EU) 2025/25 should apply, whereby it should be possible for the authorities of the Member State in which the company document or information is presented, where they have a reasonable doubt as to its origin or authenticity, to verify the document or information via the issuing register or via the register in their own Member State.
- (31) The existing Union company law *acquis*, in particular Directive (EU) 2025/25, has already made significant advances in overcoming the language barriers in company law procedures and the EU Inc. companies should benefit from those. Following the calls from companies, and in particular the startup community, to make the procedures for setting up and investing into companies available in a language customary in the sphere of international business and finance as much as possible, this Regulation makes further progress by introducing a bilingual application form and standardised articles of association, available in the official language or languages of a Member State of registration and in a language customary in the sphere of international business and finance. The public availability of both language versions of the articles of association in the business register and via BRIS will provide investors, creditors and public authorities with access to the most important company document in a language customary in the sphere of international business and finance. The use of a language customary in the sphere of international business and finance in this essential document also significantly reduces the need for translations and therefore, the administrative burden and costs for companies and stakeholders operating in the internal market. In this context, translation of copies or extracts of documents related to EU Inc. companies should not be required where the specific information can be accessed, e.g., in the EU Inc. company's articles of association or through BRIS. Certified translation should only be required where strictly necessary, for example, where the documents are to be made publicly available in a business register or in the context of judicial proceedings.
- (32) EU Inc. companies should have the flexibility to organise and manage their business in accordance with their divergent needs in terms of their size, activities or market needs. Therefore, shareholders should have the freedom to determine the organisation of the EU Inc. in the articles of association while complying with the harmonised requirements laid down in this Regulation. The EU Inc. should have a board of directors with one or more directors who are natural persons and at least one director should be resident in the Union. The EU Inc. may also have additional bodies, such as a supervisory body.
- (33) To effectively manage the EU Inc. company, the board of directors should be able to exercise all powers of the company, with the exception of important matters which

are reserved for the general meeting or another company body, such as the approval of annual accounts. The general meeting should also have the power to appoint or dismiss a director at any time, regardless of any terms of office agreed between the company and the director. As a principle, directors should jointly represent the EU Inc. as ‘co-directors’, but shareholders could decide that all or certain directors can represent the company individually.

- (34) Directors of all EU Inc. companies should be subject to a harmonised set of general directors’ duties. These general duties, set out in this Regulation, should not alter or exclude any further duties that may apply in specific situations, such as the duties set out in Article 19 of Directive (EU) 2019/1023 of the European Parliament and of the Council³⁶ where there is a likelihood of insolvency. While exercising their mandates, directors of EU Inc. companies should act in good faith, with reasonable care, skill and diligence, which also includes ensuring that they have sufficient information so that their decisions serve the best interests of the company. Acting in the company’s best interest should also entail the duty to avoid conflicts of interest whereby the directors should inform the board of directors or the general meeting about any conflicts of interest and should generally not be part of decisions involving any such conflicts.
- (35) In view of the diversity of possible sizes, management structures and shareholder structures of an EU Inc. company, such companies should not be subject to a uniform rule imposed by Member States for the treatment of transactions with company-related parties. However, to protect the interests of certain or all shareholders, an EU Inc. company should be able to stipulate in the articles of association that certain transactions which are directly or indirectly concluded with certain company-related parties, such as directors and shareholders, need to be submitted to the general meeting or another company body for approval or brought to its attention. Shareholders should be able to adapt the required form of approval or information procedures in the articles of association for them to best fit the company size and corporate structure.
- (36) In order to facilitate and speed up the decision-making in EU Inc. companies, regardless of their Member State of registration, the rules on decision-making should be harmonised. It should be ensured that both Union and third country shareholders are able to participate in general meetings, that such meetings may be held fully online or in hybrid form, and that all shareholders can be reliably identified, participate and vote during such meetings. Similarly, in order to render the decision making more efficient, in certain situations, it should be possible to take decisions through written resolutions which could also be adopted by electronic means. Decisions should be adopted according to a quorum and based on majority requirements, while the shareholders have the flexibility to amend those in the articles of association. However, due to the significant importance of the articles of association for the company, amendments to them should be adopted under qualified majority to provide protection to minority shareholders. Harmonised rules should be set out on specific aspects where an EU Inc. is or becomes a single-member company, including on making this information publicly available in business

³⁶ Directive (EU) 2019/1023 of the European Parliament and of the Council of 20 June 2019 on preventive restructuring frameworks, on discharge of debt and disqualifications, and on measures to increase the efficiency of procedures concerning restructuring, insolvency and discharge of debt, and amending Directive (EU) 2017/1132 (Directive on restructuring and insolvency) (OJ L 172, 26.6.2019, pp. 18), ELI: <http://data.europa.eu/eli/dir/2019/1023/oj>

registers and through BRIS to provide third parties with reliable information. The rules in this proposal are in line with rules for other single-member companies in the EU, set out in Directive 2009/102/EC of the European Parliament and of the Council³⁷.

- (37) In order to strike a balance between the significant influence of majority shareholders and the board of directors, the important autonomy granted by the articles of association of EU Inc. and the need for minority shareholder protection, a right of withdrawal should be provided for minority shareholders in exceptional cases of flagrant prejudice. Scenarios that could justify such a withdrawal may include, for example, cases where the company has been deprived of a significant proportion of its assets, where the general meeting has instructed directors to miss a significant business opportunity without the consent of the withdrawing shareholder or where the company's activities have changed substantially. However, the assessment of whether the company's affairs are being conducted in an oppressive manner should be reserved to the competent court, which should take into account all relevant circumstances of the individual case.
- (38) Each EU Inc. company should be responsible for establishing and updating its digital share register. It should also be possible to delegate it to a third party who will be in charge of it on behalf of the company. To account for the application of new technologies, the requirements as regards shares, the digital share register and the digital share certificate should be understood as technologically neutral. Provided that the EU Inc. company meets the requirements for the digital share register and the digital share certificate, it should be free to choose how to establish and maintain the register, including the choice of whether to use distributed ledger technology for this purpose or not and whether digital share certificates should be provided in tokenised form or not. Keeping the digital register updated also entails that every share transfer is recorded and that the shareholder receives a share certificate confirming his or her status as a shareholder.
- (39) In line with the free movement of capital and to guarantee that companies have the necessary freedom to scale up and attract new investors, it should be ensured that share transfers occur without restriction, unless otherwise provided in the articles of association. Share transfers are understood to encompass both acquisitions and transfers free of charge, such as donations, and they may pertain to either complete ownership or a fraction of it.
- (40) While all shares should have equal rights and obligations, the EU Inc. should also be allowed to decide that classes of shares have different economic or voting rights to adapt to the requirements of certain shareholders. Member States should not prohibit or condition such distinctions by national law. Different economic or voting rights may serve a variety of purposes. For example, they may allow founders to protect the company against hostile takeovers.
- (41) To provide an EU Inc. company with a wide spectrum of financing options and its investors with credible exit opportunities, thereby enhancing the free movement of capital within the Union and from third countries, the trading of the securities of an EU Inc. company should not be limited to debt instruments. An EU Inc. company

³⁷ Directive 2009/102/EC of the European Parliament and of the Council of 16 September 2009 in the area of company law on single-member private limited liability companies (Codified version) (OJ L 258, 1.10.2009, pp. 20–25), ELI: <http://data.europa.eu/eli/dir/2009/102/2013-07-01>

should have the possibility to access multilateral trading facilities such as SME growth markets for the trading of its shares and Member States should not prohibit such access. Where an EU Inc. company seeks the admission of its shares to trading on such markets, it should comply with all applicable requirements under Union and national laws, including those already harmonised through Regulation (EU) No 596/2014³⁸ on market abuse and Directive (EU) 2024/2810³⁹ on multiple-vote share structures in companies that seek admission to trading of their shares on a multilateral trading facility.

- (42) To further support scaleups and other more mature EU Inc. companies in meeting their equity financing needs, Member States may allow an EU Inc. company to seek admission to trading of its shares on a regulated market. Such access should equally require compliance with all applicable Union and national laws, for example the requirements set out in Regulation (EU) 2017/1129⁴⁰ on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, Directive 2007/36/EC⁴¹ on the exercise of certain rights of shareholders in listed companies and Directive 2004/109/EC⁴² on the harmonisation of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market.
- (43) Fragmentation of the laws of Member States concerning the financing of Union businesses constrains companies in their ability to attract investors, in particular from other Member States and third countries. Cross-border investors such as venture capitalists and angel investors are deterred by high transaction costs, complex cross-border due diligence, and unfamiliar national corporate structures. To overcome these barriers and align with the objectives of the Commission Communication of 19 March 2025 entitled ‘Savings and Investments Union. A Strategy to Foster Citizens’ Wealth and Economic Competitiveness in the EU’, the EU Inc. should be subject to a harmonised financing framework. This framework should be specifically designed to attract and facilitate cross-border equity investment by providing harmonised highly flexible and legally certain funding mechanisms. It should also balance and accommodate the needs of founders and of early-stage and growth investors to ensure that EU Inc. companies are highly attractive when competing for venture capital and other investments on a global scale.

³⁸ Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/(OJ L 173, 12.6.2014, pp. 1–61), ELI: <http://data.europa.eu/eli/reg/2014/596/2024-12-04>

³⁹ Directive (EU) 2024/2810 of the European Parliament and of the Council of 23 October 2024 on multiple-vote share structures in companies that seek admission to trading of their shares on a multilateral trading facility (OJ L, 2024/2810, 14.11.2024), ELI: <http://data.europa.eu/eli/dir/2024/2810/oj>

⁴⁰ Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (OJ L 168, 30.6.2017, pp. 12–82), ELI: <http://data.europa.eu/eli/reg/2017/1129/2024-12-04>

⁴¹ Directive 2007/36/EC of the European Parliament and of the Council of 11 July 2007 on the exercise of certain rights of shareholders in listed companies (OJ L 184, 14.7.2007, pp. 17–24), ELI: <http://data.europa.eu/eli/dir/2007/36/2024-01-09>

⁴² Directive 2004/109/EC of the European Parliament and of the Council of 15 December 2004 on the harmonisation of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market and amending Directive 2001/34/EC (OJ L 390, 31.12.2004, pp. 38–57), ELI: <http://data.europa.eu/eli/dir/2004/109/2024-01-09>

- (44) In order to provide flexible conditions for investment throughout the Union, the shares of an EU Inc. company should not be required to have a nominal value. By default, the shares should also not represent a fraction of the company's capital. The economic and control rights attached to a share should accordingly also not depend on a contribution made to capital. The EU Inc. should have the possibility to offer the appropriate rights and ask for the consideration for shares that is in the interest of the company and that best attracts equity investment in it, not being constrained by a mandatory link between its capital and shares.
- (45) Enabling shares without a nominal value is particularly important to facilitate common arrangements for venture capital and early-stage financing. In traditional par-value systems, shares cannot be issued below their nominal value, which creates structural obstacles during critical situations where a company's valuation has decreased and new shares need to be issued in a 'down round' at a lower price to raise new equity. Furthermore, non-par value shares facilitate the seamless operation of convertible instruments such as Simple Agreements for Future Equity (SAFE) and Keep It Simple Securities (KISS). Where such instruments require a conversion at a fluctuating, discounted price, the rigid application of the par value principle could legally prevent their execution. By removing the mandatory requirements for a par value of shares, the EU Inc. is equipped to price its equity dynamically, absorb valuation fluctuations and enter into investment arrangements with terms in accordance with global market standards.
- (46) An EU Inc. should be able to raise equity in a flexible way and founders and shareholders should be free to choose the appropriate financing options without facing unnecessary legal constraints arising from divergent national rules. The amount of capital of the EU Inc. should therefore not be required by law and may be 0 EUR throughout the company's lifetime. In the absence of capital, modern and highly effective safeguards for creditors should be achieved through other means, notably through balance sheet and solvency tests governing distributions to shareholders. Only where founders and shareholders choose to build up capital, such capital should be subject to conventional maintenance rules.
- (47) The financing framework of the EU Inc. allows for a highly flexible allocation of equity investments. When issuing new shares, the company should be able to require a consideration for shares in the form of a capital contribution or raise equity that is not part of the company's legal capital. This structure ensures that bespoke classes of shares, share buybacks, redemptions and complex funding mechanisms can operate without creating frictions with conventional capital maintenance rules.
- (48) To facilitate all types of equity investment in an EU Inc., any transfer of economic value should be permitted as a consideration for a share in the company. Unless shares are issued for consideration in the form of a capital contribution, an EU Inc. should not have to require immediate payment of a consideration for shares. In particular, to avoid delays in registration caused by the requirement to open a corporate bank account for the consideration for the first shares, such consideration should not have to be paid before registration. In-kind considerations should also be possible in the form of work and services but should always have their value determined. Where the value of an in-kind consideration is overstated, shareholders should have to compensate the company for the shortfall in value provided.
- (49) While the subscription of the first shares of an EU Inc. is declared in the articles of association, the issuance of further shares should be generally subject to a decision of

the general meeting. To facilitate the swift execution of financing rounds, an EU Inc. should also be able to have its board of directors authorised to decide on the issuance of such new shares. Such authorisation should only be required to set out the maximum number of authorised shares but may be subject to any further limitations deemed appropriate by the shareholders. To ensure a low level of transaction costs and remove barriers to cross-border investment, subscriptions for new shares should be made by electronic means and should not be subject to additional formalities imposed by Member States.

- (50) Existing shareholders should generally have pre-emptive rights in new shares issued for cash consideration to enable them to maintain their stake in the company. However, to facilitate the entry of new investors, the general meeting or, where authorised to do so, the board of directors should have the possibility to modify or exclude such rights.
- (51) Provided that the relevant requirements foreseen in Union and national laws are complied with, an EU Inc. company can issue any type of securities. To facilitate particularly early-stage investments such as Simple Agreements for Future Equity (SAFE) and Keep It Simple Security (KISS) convertible notes as well as employee stock ownership in an EU Inc., the company should also have broad flexibility in issuing instruments that entitle their holders to new shares. As is the case for the issuance of new shares, the swift issuance of such instruments should be facilitated by providing for the possibility to authorise the board of directors to decide on the issuance of the instruments. Since such instruments ultimately lead to the issuance of new shares, existing shareholders should generally have pre-emptive rights in them. As regards the issuance of new shares to satisfy claims from the instruments, the board of directors should not need further authorisation for such issuance and existing shareholders should not have pre-emptive rights in the new shares.
- (52) While an EU Inc. company should not be required to have a capital greater than EUR 0, it should have the possibility to increase its capital not only by issuing new shares against capital contributions but also by converting other parts of equity to capital, unless such conversion is incompatible with their purpose.
- (53) Distributions to shareholders should be subject to a balance sheet and solvency test, ensuring that an EU Inc. remains viable and meets its obligations towards creditors following a distribution. To ensure the credibility of the balance sheet and solvency test, all directors should be required to confirm the result of the two tests, and they should be personally liable where the tests are not performed or not performed with due care. Shareholders should furthermore be required to return unlawful distributions where they knew or should have been aware of the irregularities.
- (54) An EU Inc. company should not be able to subscribe its own shares. To facilitate a flexible financing structure, it should however be able to purchase its own shares upon a decision of the general meeting or, where authorised, the board of directors. To ensure the viability of the company, the safeguards for distributions should also apply to purchases of own shares. Where own shares have been purchased, the company should have full flexibility to hold them in treasury for later use, transfer them further or cancel them. Cancellation should be subject to a decision of the general meeting or, where it is authorised, the board of directors.
- (55) To further facilitate investment in EU Inc. companies, including from investors that wish to have a predetermined exit option, the EU Inc. should also be able to issue redeemable shares. Upon redemption, such shares should be cancelled and the

redemption price be paid to the investor. However, to ensure the viability of the company, the EU Inc. should only be required to pay the redemption price where such payment complies with the safeguards for distributions.

- (56) Where the company has built up capital, any reduction of it should generally be subject to a balance sheet and solvency test similar to the one required for distributions. To protect creditors which may rely on the stated capital providing them additional security against default, such test should be accompanied by a report of an independent expert certifying that the expert has inquired into the company's state of affairs and is not aware of any matters that would indicate that the balance sheet and solvency test is unreasonable. Where capital is only reduced to cover losses or where it is increased at the same time by at least the amount of the reduction, no additional protection is warranted and the reduction should therefore not be subject to these safeguards.
- (57) Providing employees with equity and facilitating investment in their company is an important way to attract and retain talent, and a preferred means of providing them with a stake in the company's growth. Currently, divergent national requirements in this regard impede the scale-up of companies in the internal market. EU Inc. companies should therefore benefit from a harmonised simple employee stock option plan which they can establish for their staff throughout the internal market. Such plan, the EU-ESO, should enable an EU Inc. company to issue warrants to a broad group of eligible persons covering not only members of the board and employees of the EU Inc. but also of its subsidiaries. In line with the purposes of attracting and retaining talent and incentivising employees' participation in the scaleup of the EU Inc., the warrants should be subject to a minimum vesting period and should not be issued to persons who already hold a significant stake in the EU Inc. Where an EU-ESO is established, the board of directors should be authorised to issue warrants and satisfy the claims arising from the warrants either by issuing new shares or transferring own shares held in treasury, within the limits of the plan.
- (58) Currently, under Member States' laws, warrants granted to employees may be taxed at different points in time. This situation makes the warrants unattractive, especially in cross-border cases, as it leads to complexity and may result in taxation of unrealised income, which gives rise to cash-flow disadvantages for employees. To address these issues and ensure that taxation takes place at the same time in all Member States, the income derived from the warrants granted under the EU-ESO should be taxed only once, when the shares obtained by exercising the warrant are disposed of. No taxable income should be deemed to arise at the time of granting, vesting, or exercising of the warrant. Member States should remain free to determine how the income derived from the disposal of the shares obtained by exercising the warrant is characterised for tax purposes and the rate(s) at which it should be taxed. However, to avoid double taxation or disputes between Member States in cross-border situations, it is crucial that the taxable income is calculated in the same way by all Member States. Therefore, taxation should take place on an amount equal to the difference between the fair market value of the shares at the date of disposal and their acquisition price. Many Member States have already introduced preferential tax regimes for employee stock options or similar instruments. To the extent the EU-ESO meets the relevant criteria of such instruments, the taxation of shares issued by exercising warrants under the EU-ESO should be granted the same treatment as provided under Member States' national law.

- (59) Digital solutions are also important at the end of the company lifecycle, both for solvent companies being wound up and for companies undergoing insolvency proceedings as they contribute to a more efficient closure procedure. This, in turn, allows companies to direct their human and financial resources into new entrepreneurial projects and therefore, diminishes the cost of failure. This is important for small companies, with less resources and in particular for startups, which failure rate tends to be higher than for larger companies.
- (60) Therefore, the digital only approach should also cover the dissolution and liquidation of solvent EU Inc. companies, meaning that the EU Inc. company or the liquidator, who may be a director or an external person appointed according to national legislation, should be able to submit all information or documents related to dissolution and liquidation to the business register fully online, and creditors of an EU Inc. company should be able to submit their claims fully digitally to the company or to the liquidator. As in the context of setting up, a seamless “once-only” data exchange should be also ensured between the business register of registration of an EU Inc. company and other competent national authorities relevant for its liquidation in the same Member State, such as tax or social security authorities. This would mean that the EU Inc. company would not need to submit again to the other authorities the information it had already submitted to the business register, which should reduce the delays and costs caused by separate submissions in the context of a dissolution procedure that should be swift in the interest of all stakeholders. Since the relevant national authorities involved in the liquidation of a company might differ across Member States, each Member State should decide to which national authorities this “once-only” data exchange with the business register should apply.
- (61) While increasing the efficiency of the procedure thanks to digital tools, it is also important to ensure that transparent information about the liquidation of an EU Inc. company is easily available to creditors and other third parties – in business registers and through BRIS – by introducing harmonised obligations on companies and business registers. In case a liquidation of a solvent EU Inc. company is necessary due to nullity, the conditions and consequences should be harmonised to ensure legal certainty and the nullity should only be ordered by a court decision and on the basis of an exhaustive list of grounds.
- (62) Simplified rules are in particular needed in simple liquidation cases, for instance, where solvent companies have ceased their economic activity and do not have liabilities, to allow such companies to complete the procedure and be removed or struck off from the business register within a maximum of around three months. Such fast-track liquidation should be available for the EU Inc. companies with no pending administrative or judicial proceedings, no assets available for economic use, which should in any case be distributed at the latest at the time of the filing for liquidation, and no debts. The fast-track procedure should also cover simple cases where some creditors, and therefore liabilities, still remain but such procedure could only be launched if those creditors give their consent.
- (63) The fast-track procedure, while allowing companies to close within a short period of time, should also ensure that creditors are protected and provide for transparent information to third parties concerned. This should be ensured by making the information that the EU Inc. company is in the fast-track liquidation procedure and the relevant documents filed by the EU Inc. company publicly available in the business register where it is registered, including the statement by all directors confirming that the conditions are met to undergo this procedure. Given that the fast-

track procedure is limited to simple liquidation cases, it should be possible for the EU Inc. to be represented by a director or another authorised person, without a need to appoint a liquidator.

- (64) Similarly, to strike the right balance between a short procedure and sufficient creditor protection, creditors of the EU Inc. company should have the possibility to oppose the fast-track procedure but within a relatively short deadline of 30 days following the publication of the information about its launch in the business register. This safeguard particularly aims at protecting creditors whose claims have not been reflected in the statement of directors of the EU Inc. and in the financial statement. The creditors who already consented to the launch of the procedure should only be able to oppose it in case of well justified reasons such as a defect or error in their consent or a serious change of circumstances. To enable the business register to disregard manifestly unsubstantiated objections, creditors should state the reasons for their claims against the EU Inc. company when submitting the objections to the business register. In case the business register receives well founded objections from creditors, it should provide the EU Inc. company with the information about the creditors and the reasons for their claims.
- (65) In order to ensure that the EU Inc. company undergoing the fast-track liquidation procedure does not have any tax debts or has not failed to comply with any tax related obligations, the national tax authority in the Member State of registration of the EU Inc. company should have 30 days to issue a tax clearance or submit its opposition to the fast-track liquidation. A prolongation of a maximum of 30 days would be possible in case additional information was needed or additional activity had to be carried out by the tax authority. In order to limit administrative delays, it should be presumed that the tax authority granted its clearance or did not have objections if the tax authority does not notify its position to the business register within the initial or prolonged deadline.
- (66) After the expiry of the deadlines, both for creditors and for the tax authority, and if no objections have been received by either of them, the business register should remove the registration of the EU Inc. company from its records without delay. In case the business register receives reasoned objections from creditors after the 30-day deadline has expired but before it has removed the EU Inc. from the register, it should be able to take those objections into consideration and decide not to remove the company from the register, to ensure that those claims are safeguarded. In order to ensure that potential assets, liabilities or administrative or judicial proceedings are handled smoothly after the EU Inc. company is removed from the business register, its books and records should be kept for a period of six years by a person appointed by the general meeting or by the court. The directors of the EU Inc. company which was removed from the business register should remain jointly and severally liable for any claims of creditors that were not satisfied.
- (67) National insolvency rules are not always fit to treat insolvent EU Inc. companies that are innovative startups properly and in a proportionate manner. Innovative startups face scarcity of working capital, higher interest rates and larger collateral requirements, which make raising finance, especially in situations of financial distress, difficult, if not impossible. Taking into account the unique characteristics of innovative startups and their specific needs in financial distress, in particular the need for faster, simpler and affordable procedures, when innovative startups get insolvent, they should have access to simplified winding-up procedures that are adapted to these specific needs.

- (68) The cessation of payments test and the balance sheet test are the two usual triggers among Member States for the opening of standard insolvency proceedings. In order to simplify the opening of insolvency proceedings on the basis of easily ascertainable conditions, the inability to pay debts as they mature should be the criterion for the opening of simplified winding-up proceedings for EU Inc. that are innovative startups. Member States should also define the specific conditions under which this criterion is met, as long as these conditions are clear, simple and easily ascertainable by the startup concerned.
- (69) Unlike in restructuring, in insolvent liquidation it is of utmost importance that the proceedings are conducted with the involvement of an insolvency practitioner who ensures compliance with all legal requirements and acts in the interests of the creditors. This expertise is needed, in particular, when it comes to the protection of the rights of employees or to the conformity with environmental law standards. The smooth administration of simplified winding-up proceedings for EU Inc. that are innovative startups therefore requires, as a general rule, the appointment of an insolvency practitioner. As an exception, however, and only when the prudent behaviour of the debtor in the period leading to insolvency justifies this, the debtor itself, a creditor or a group of creditors should have the right to request that the winding-up proceeding is conducted without an insolvency practitioner. It is within the discretion of the competent court or authority to decide whether or not to grant such derogation taking into account all relevant circumstances.
- (70) In order to establish cost-effective and expeditious simplified winding-up proceedings for EU Inc. that are innovative startups, the procedure should be conducted and concluded within six months as of the submission of the request to open simplified winding-up proceedings. Similarly, formalities for the major procedural steps, including for the opening of the proceedings, the lodgement and the admission of claims or the realisation of the assets should be minimised. EU Inc. that are innovative startups should be able to commence simplified winding-up proceedings without the representation by a lawyer or another legal professional by using a standard form developed for that purpose.
- (71) To further reduce the cost and length of procedures, Member States should enable debtors, creditors, insolvency practitioners and judicial and administrative authorities to use electronic means of communication for all procedural steps in insolvency proceedings.
- (72) A debtor of an EU Inc. that is an innovative startup should be able to benefit from a temporary stay of individual enforcement actions, in order to be able to preserve the value of the insolvency estate and ensure a fair and orderly conduct of the proceedings.
- (73) Member States should ensure that the assets of the insolvency estate in insolvency proceedings can be realised through online judicial auction, unless the competent authority considers this means of realisation of assets inappropriate. For this reason, Member States should establish and maintain one or more electronic auction systems in their territory for that purpose. This obligation should be without prejudice to the multiple platforms that exist in some Member States for online judicial auctions of specific types of assets. The auction systems operated for the purposes of realising the assets of debtors in insolvency proceedings should be interconnected via the European e-Justice Portal. The e-Justice Portal should serve as a central electronic access point to the online judicial auction processes run in the national system or

systems, provide a search functionality for users and guide them to the relevant national online platforms if they intend to participate in the bidding.

- (74) In order to ensure uniform conditions for the implementation of this Regulation as regards the establishment of the multilingual EU templates, the multilingual application form, the data to be transmitted and made available through BRIS and the compatibility between the EU Company Certificate and the digital EU power of attorney with the Business Wallets referred to in [*PO: Reference to Proposal for a Regulation of the European Parliament and of the Council on the establishment of European Business Wallets*], implementing powers should be conferred on the Commission.
- (75) The implementing powers relating to the standard form for the request for the opening of simplified winding-up proceedings and the implementing powers in relation to technical specifications and procedures necessary for the interconnection of electronic auction systems should be exercised in accordance with Regulation (EU) No 182/2011⁴³ of the European Parliament and of the Council.
- (76) The prohibition of discrimination, which is one of the fundamental principles of Union law, requires that comparable situations are not treated differently unless such difference in treatment is objectively justified. Therefore, Member States should treat in law and in fact EU Inc. companies in a non-discriminatory manner vis-à-vis other legal forms as regards comparable aspects, unless it can be demonstrated that the differential treatment is justified by an objective justification and proportionate. Accordingly, the rights and privileges that are legally granted or available in practice to other company forms in the Member States must in principle also be granted or available to EU Inc. companies. Differential treatment should be exceptionally possible only where it is objectively justified on the basis of specific and convincing reasons and it is proportionate to the aim pursued.
- (77) Certain national rules are particularly obstructive of the free exercise by market operators of the fundamental freedoms laid down in the Treaties. While these rules concern all market operators, they are particularly damaging to those that pursue an economic activity with a view to innovation, productivity and scaling-up in the internal market in particular in a cross-border context, which will often be set up under the EU Inc. company form. Such companies, in particular when requiring public support, are particularly vulnerable to certain serious national restrictions which are in view of the case law of the CJEU clearly unjustified or disproportionate.
- (78) In order to prevent such measures from impeding the good functioning of the internal market, and to reduce the need for long and costly litigation, these restrictions should be prohibited altogether without the possibility of justification. The provisions set out herein shall not affect any requirements flowing from sectorial EU law. This Regulation should also not be construed as justifying restrictions to the freedom of establishment, free movement of goods, workers and services contrary to the TFEU or other provisions of Union law, including with respect to persons or companies outside the scope of this Regulation.

⁴³ Regulation (EU) No 182/2011 of the European Parliament and of the Council of 16 February 2011 laying down the rules and general principles concerning mechanisms for control by Member States of the Commission's exercise of implementing powers (OJ L 55, 28.2.2011, pp. 13–18), ELI: <http://data.europa.eu/eli/reg/2011/182/oj>

- (79) Business registers and authorities in charge of issuing the TIN and the VAT identification number, social security authorities and beneficial ownership registers should process any personal data of legal representatives and other persons that can lawfully represent a company, and of single shareholders, including personal data which are to be made publicly available in the registers, in accordance with Regulation (EU) 2016/679 of the European Parliament and of the Council⁴⁴. The Commission should process personal data in the context of this Regulation in accordance with Regulation (EU) 2018/1725 of the European Parliament and of the Council⁴⁵.
- (80) EU Inc. companies should process personal data in the digital register of shares in accordance with Regulation (EU) 2016/679. To facilitate compliance with data protection rules and ensure the implementation of proportionate data protection measures, the EU templates for the articles of association will contain provisions on data protection related to the digital register of shares.
- (81) Whilst acknowledging the competence of Member States to organise their national judiciary systems, they could designate or establish specialised judicial chamber or court for disputes involving EU Inc. companies on matters covered by this Regulation. That would facilitate a seamless conduct of procedures and could generate a coherent national jurisprudence, with disputes arising under the Regulation being resolved by judges possessing the expertise for company and insolvency law litigation. If disputes are resolved more rapidly and at lower cost, it would increase the attractiveness of the new legal form for its addressees and reduce the incentive for startups and scaleups to move to third country jurisdictions. In addition, the Commission's Communication on European Judicial Training Strategy 2025-2030 has identified the necessity of upskilling of justice professionals within the legal framework proposed by this Regulation, which can be tailored in the process of specialisation.
- (82) This Regulation does not affect the ability of Member States to examine applications for the formation of companies and registration of branches in order to address fraud or abuse, in compliance with Union law, or Member States' investigation and enforcement actions, including by the police or other competent authorities. Obligations under Union and national law arising from anti-money laundering and counter terrorist financing should remain unaffected. Given the risk of misuse of legal business structures stressed in Europol's Serious and Organised Crime Threat Assessment of 2025, authorities in the Union and Member States need to make sure that the EU Inc. is not misused by organised crime networks or other criminals.
- (83) This Regulation does not affect Union or national employment law. These laws should apply to EU Inc. companies as they apply to any other Union limited liability company. The corporate legal framework established by this Regulation forms part

⁴⁴ Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation) (OJ L 119, 4.5.2016, p. 1), ELI: <http://data.europa.eu/eli/reg/2016/679/2016-05-04>

⁴⁵ Regulation (EU) 2018/1725 of the European Parliament and of the Council of 23 October 2018 on the protection of natural persons with regard to the processing of personal data by the Union institutions, bodies, offices and agencies and on the free movement of such data, and repealing Regulation (EC) No 45/2001 and Decision No 1247/2002/EC (OJ L 295, 21.11.2018, p. 39), ELI: <http://data.europa.eu/eli/reg/2018/1725/oj>

of the legal environment of the internal market and builds on the Union company law acquis.

- (84) The objectives of this Regulation, namely to provide a common legal framework for companies, in particular startups and scaleups, in the Union, to provide simple and efficient corporate rules and procedures throughout the company lifecycle and to ensure that corporate rules provide an enabling framework to invest, cannot be sufficiently achieved by the Member States, but can rather, by reason of their scale and effects, be better achieved at Union level. Therefore, the Union may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty on European Union. In accordance with the principle of proportionality, as set out in that Article, this Regulation does not go beyond what is necessary in order to achieve those objectives.
- (85) The Commission should carry out an evaluation of this Regulation. The evaluation should cover, among others, the take up of the EU Inc. new legal form, how the EU Inc. companies were formed and how many were created through the EU central interface and with harmonised templates. Every five years the Commission should also review the maximum cost of EUR 100 for the fast-track formation of an EU Inc. through the EU central interface in line with the harmonised index of consumer prices.
- (86) The European Data Protection Supervisor was consulted in accordance with Article 42(1) of Regulation (EU) 2018/1725 of the European Parliament and of the Council (13), and delivered an opinion on [insert date].
- (87) In order to allow time for preparation of Member States and companies, this Regulation should apply 12 months after its entry into force.

HAVE ADOPTED THIS REGULATION:

CHAPTER I - GENERAL PRINCIPLES

Article 1

Subject matter

This Regulation lays down rules to improve the functioning of the internal market and to create an efficient legal framework for companies and investors by:

- (a) creating a new harmonised legal form of a limited liability company ('EU Inc.') provided in the legal order of every Member State;
- (b) creating an EU central interface, based on the Business Registers Interconnection System (BRIS), for the purposes of the registration of companies taking the EU Inc. legal form, as well as for filing by EU Inc. companies;
- (c) introducing measures to reduce obstacles to the use and acceptance of documents and information regarding EU Inc. companies including through the application of the once-only principle;
- (d) introducing measures to reduce administrative burden in procedures covered by this Regulation throughout the lifecycle of EU Inc. companies including investment-related procedures;

- (e) removing obstacles with respect to financing of EU Inc. companies and investment in such companies;
- (f) harmonising certain aspects of insolvency procedures applicable to specific categories of undertakings taking the legal form of EU Inc.;
- (g) prohibiting certain discriminatory measures with respect to EU Inc. companies whose registered office is in another Member State.

Article 2

Definitions

For the purposes of this Regulation, the following definitions shall apply:

- (1) ‘EU central interface’ means a digital user interface established, operated and maintained by the Commission, based on BRIS and its Union digital access point, as referred to in Article 22 of Directive (EU) 2017/1132;
- (2) ‘Business Registers Interconnection System’ (‘BRIS’) means the system of interconnection of registers operating at the Union level, composed by the business registers of the Member States, the platform and the E-Justice portal as referred to Article 22 of Directive (EU) 2017/1132;
- (3) ‘business register’ means a central, commercial or companies register referred to in Article 16(1) of Directive (EU) 2017/1132;
- (4) ‘shareholder’ means one of the founding shareholders and any other legal or natural person who is registered into the digital register of shares;
- (5) ‘articles of association’ means both the instrument of constitution and the statutes in one single document;
- (6) ‘branch’ means a fixed establishment, which is not a separate legal person but may have separate management, through which an economic activity of a company is carried out;
- (7) ‘fully online procedure’ means a procedure that can be carried out fully online without the necessity to appear in person before any authority or person or body mandated under national law to deal with any aspect of the procedure;
- (8) ‘employee participation’ means participation as defined in point (k) of Article 2 of Directive 2001/86/EC;
- (9) ‘formation’ means the whole procedure of establishing an EU Inc. including all the necessary steps for its entry in the business register;
- (10) ‘filing’ means the procedure of submitting information or documents to a business register, either directly or through the EU central interface.
- (11) ‘object of the company’ means the main activity or activities of the company, expressed using the relevant Statistical Classification of Economic Activities in the European Community (NACE) code and, if any, more specific activities and

purposes;

- (12) ‘single-member company’ means a company the shares of which are held by a single shareholder;
- (13) ‘liquidation’ means the procedure of the winding up of the dissolved company’s affairs;
- (14) ‘digital EU power of attorney’ means a standardised, digitally authenticated document that authorises a person to represent a company in cross-border company law procedures within the Union and is accepted as evidence of the authorised person’s entitlement to act on behalf of the company in accordance with Article 16c of Directive (EU) 2017/1132;
- (15) ‘EU Company Certificate’ means an authenticated document issued by a Member State business register containing key information about a company registered in that business register, which is accepted in EU Member States, in accordance with Article 16b of Directive (EU) 2017/1132;
- (16) ‘legalisation’ means the formality for certifying the authenticity of a public office holder’s signature on a document, the capacity in which the person signing that document has acted and, where appropriate, the identity of the seal or stamp which that document bears;
- (17) ‘similar formality’ means the addition of the certificate provided for by the Apostille Convention;
- (18) ‘registration of a branch’ means a process leading to making publicly available the documents and information relating to a branch opened in a Member State;
- (19) ‘related party’ has the same meaning as in the international accounting standards adopted in accordance with Regulation (EC) No 1606/2002 of the European Parliament and of the Council⁴⁶;
- (20) ‘distribution’ means any direct or indirect transfer of economic value to a shareholder without due consideration and in the absence of a genuine commercial purpose, with the exception of capital reductions, the acquisition of own shares by the company and the redemption of shares;
- (21) ‘digital register of shares’ means the record of shares maintained in a digital format by the company or by a third party, which contains information on the ownership of the shares at any time by identifying the holder of each share, as well as the history of all share transfers;
- (22) ‘share transfer’ means a transaction involving any change in share ownership, regardless whether the transaction is carried out for consideration or for free;
- (23) ‘digital share certificate’ means a legal document issued by the company specifying the shares held by a shareholder as evidenced in the digital register of shares that

⁴⁶ Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards (OJ L 243, 11.9.2002, pp. 1–4), ELI: <http://data.europa.eu/eli/reg/2002/1606/2008-04-10>

- confirms the entitlement of ownership of the shares specified therein;
- (24) ‘multilateral trading facility’ means a multilateral trading facility as defined in Article 4(1), point (22), of Directive 2014/65/EU;
 - (25) ‘regulated market’ means a regulated market as defined in Article 4(1), point (21), of Directive 2014/65/EU;
 - (26) ‘convertible instruments’ means instruments, which give their holders, in whole or in part, a right or duty to exchange their claim against the company for new shares in the company;
 - (27) ‘warrants’ means instruments which entitle their holders to subscribe for new shares in the company for a consideration;
 - (28) ‘pre-emptive right’ means the preferential right held by existing shareholders to acquire new shares or instruments entitling to new shares;
 - (29) ‘dissolution’ means the decision or event, including a decision of the general meeting, the expiry of a term or occurrence of an event specified in the articles of association or a judicial order, that marks the end of the company’s normal business operations and, except in cases of restructuring or rescue as provided by insolvency law, initiates the liquidation process;
 - (30) ‘solvent liquidation’ means a liquidation initiated by the company when it is able to pay its debts in full within a determined period.

Article 3

Legal form and general principles

EU Inc. shall be a legal form provided for in the legal order of each Member State, which shall have the following characteristics:

- (a) a shareholder shall not be liable for the obligations of the company;
- (b) it shall have legal personality pursuant to the law of the Member State of registration, which shall be recognised by other Member States;
- (c) it may be formed by one or more natural or legal persons;
- (d) it may be formed *ex nihilo* in accordance with Articles 16 to 19 or through domestic or cross-border conversions, mergers or divisions in accordance with Article 21;
- (e) it shall be allocated a European Unique Identifier (EUID) in accordance with Article 16(1) of Directive (EU) 2017/1132 upon registration;
- (f) it shall be set up for an unlimited period of time, unless provided otherwise in the articles of association.

Article 4

Rules applicable to EU Inc.

1. EU Inc. companies shall be governed by this Regulation and by their articles of association which shall comply with this Regulation.
2. Matters that are not covered by this Regulation or by the articles of association shall be governed by national law, including the provisions transposing Union law, which apply to relevant national legal forms in the Member State in which the EU Inc. has its registered office.
3. Member States shall designate the relevant national legal form referred to under paragraph 2, the provisions of which apply to EU Inc. companies.

Article 5

Legal personality

1. An EU Inc. company shall be registered in the business register of the Member State chosen for its registered office.
2. An EU Inc. company formed in accordance with Articles 16 to 19 of this Regulation shall acquire legal personality on the date on which it is registered in the business register.

If acts have been performed in the name of an EU Inc. company before its registration in accordance with Articles 16 to 19 and it does not assume the obligations arising out of such acts after its registration, the natural and legal persons which performed those acts shall, without limit, be jointly and severally liable therefor, unless otherwise agreed.

Article 6

Name of the EU Inc. company and of its branch

1. The name of the company shall comply with the following:
 - (a) be followed by the mention 'EU Inc.';
 - (b) fulfil the function of a name;
 - (c) not mislead the public, in particular as to the nature of its business activities;
 - (d) not be contrary to public policy or to accepted principles of morality; and
 - (e) be sufficiently different from names of companies registered in any Member State as an EU Inc. and from names of any other companies available via the Business Registers Interconnection System ('BRIS').
2. Registering a company name shall not affect any claim another person may have regarding the improper use of a name contrary to Union or national law.
3. A branch of an EU Inc. company shall have the name of that company which may be completed by the branch indication.
4. Member States shall not apply rules that unduly interfere with the lawful registration

and use of that name throughout the Union.

Article 7

Articles of association

1. An EU Inc. shall have articles of association.
2. The articles of association shall cover at least the matters laid down in this Regulation, as specified in the Annex.
3. The articles of association shall be digital, machine-readable and shall store information as structured data.
4. The articles of association shall be drawn up in at least one of the official language or languages of the Member State of registration and in a language customary in the sphere of international business and finance and shall be made publicly available in accordance with Article 25(1).
5. Where an EU Inc. company adopts the standard articles of association as referred to in Article 8, both language versions shall have equal legal value.

Where an EU Inc. adopts non-standard articles of association, the official language or languages of the Member state of registration shall prevail in the event of a discrepancy between the language versions.

The EU Inc. shall be liable for any damages caused to third parties acting in good faith who relied on an inaccurate, incomplete, or misleading version in a language customary in the sphere of international business and finance of the non-standard articles of association.

Article 8

EU templates for standard articles of association

1. The EU templates for the standard articles of association ('EU templates') may be used as part of the formation procedure through the EU central interface or with the business register.
2. Where the EU templates are used, any requirement to have the company articles of association drawn up and certified in due legal form in accordance with national laws shall be deemed to have been fulfilled.
3. The Commission shall, by means of implementing acts, establish the multilingual EU templates for the standard articles of association.

Article 9

Registered office, central administration and principal place of business

1. An EU Inc. shall have its registered office and its central administration or principal place of business in the Union.

2. Paragraph 1 shall also apply when the EU Inc. company is created through a cross-border conversion, division or merger in accordance with Directive (EU) 2017/1132.

Article 10

Principle of digital-only procedures

1. Member States shall ensure that all procedures within the scope of this Regulation may be carried out exclusively fully online.
2. The communications between the EU Inc. company and its shareholders including subscribers and purchasers of shares shall be carried out fully online unless otherwise provided in the articles of association or in any agreement between an EU Inc. company and a shareholder.
3. By way of derogation from paragraph 1, in exceptional circumstances, where duly justified by overriding reason in the public interest of preventing identity misuse or alteration, or in ensuring compliance with the rules on legal capacity and on the authority of applicants to represent a company, any public authority or person or body mandated under national law to deal with any aspect of the procedures referred to in paragraph 1, may take measures which could require the physical presence. The physical presence of the person may only be required on case-by-case basis where there are reasons to suspect identity falsification or non-compliance with the rules set out in Article 14 (2) point (d), and provided that any other steps of the procedure can be completed online.

Article 11

Payments

1. Where a procedure requires a payment, Member States shall ensure that such payment can be made by means of a widely available online payment service that can be used for cross-border payments, that permits identification of the person that made the payment and is provided by a financial institution or payment service provider established in a Member State.
2. Payments can be made online to a bank account of a bank operating in the Union. In addition, proof of such payments can also be provided online.

Article 12

Employee participation

1. An EU Inc. formed *ex nihilo* in accordance with Articles 16 to 19 or created through a domestic conversion, merger or division in accordance with Article 21 shall be subject to the employee participation rules applicable in the Member State in which it has its registered office.
2. Where an EU Inc. is created through a cross-border conversion, merger or division

in accordance with Chapters I, II and IV of Directive (EU) 2017/1132 or where an EU Inc. carries out such a cross-border conversion, division or merger in accordance with Directive (EU) 2017/1132, the rules on employee participation shall be determined in accordance with Articles 86l, 133 and 160l of that Directive.

CHAPTER II- EU CENTRAL INTERFACE, FORMATION AND FILING

Article 13

Company application form

1. A harmonised application form shall be used for all cases of formation of an EU Inc. company. It shall be fully digital, machine readable and shall collect information as structured data.
2. The prospective members of the board of directors, identified through electronic identification means in accordance with Regulation (EU) No 910/2014, shall fill in the company application form and sign it by means of trust services referred to in Regulation (EU) No 910/2014.
3. The application form referred to in paragraph 1 shall include the information specified in the implementing act referred to in Article 35(3) point (b), to the extent that it is necessary for the purposes of:
 - (a) company formation in the national business register;
 - (b) issuing the tax identification number, TIN and/or;
 - (c) issuing the VAT identification number;
 - (d) registering beneficial ownership information in the beneficial ownership register.
4. The application form shall be accompanied by the articles of association, which may use the EU templates referred to in Article 8. The founding shareholders shall sign the articles of association by means of trust services in accordance with Regulation (EU) No 910/2014.
5. The application form shall provide that persons applying to become directors declare their consent to becoming directors, acknowledge their duties and declare whether they are aware of any circumstances which could lead to a disqualification in the Member State of registration.
6. The fast-track procedure referred to in Article 16 shall not apply if any of the persons applying to become directors declare that any such circumstances exist, or if their existence is ascertained during preventive controls.
7. The Commission shall ensure that where an EU Inc. is formed in accordance with Articles 16 and 17, the EU central interface provides an automatic verification of whether the proposed company name matches or is similar to a registered Union trade mark, as referred to in Regulation (EU) 2017/1001⁴⁷, or national trade mark of

⁴⁷ Regulation (EU) 2017/1001 of the European Parliament and of the Council of 14 June 2017 on the European Union trade mark (codification) (OJ L 154, 16.6.2017, pp. 1–99), ELI: <http://data.europa.eu/eli/reg/2017/1001/2025-12-01>

a Member State, as referred to in Directive (EU) 2015/2436⁴⁸. Member States shall ensure, where an EU Inc. is formed in accordance with Articles 18 with the business register, that the register provides the automatic verification. To that end, BRIS shall be interconnected, free of charge, with the trade mark IT tools developed by the European Union Intellectual Property Office (EUIPO) in accordance with Article 152(1) point (b) of Regulation (EU) 2017/1001, which mandates the creation of common or connected databases and portals for Union-wide consultation, search, and classification purposes. Such interconnection shall also allow EUIPO to inform applicants for a trade mark in the Union where the sign applied for is identical or similar to the name of an EU Inc. registered prior to the date of the trade mark application. Such information shall be provided for indicative purposes and shall not prejudice the examination or registration of the trade mark.

Article 14

Preventive control

1. Member States shall ensure that the articles of association at the time of the formation of the EU Inc. and any amendments to the articles of association shall be subject to preventive administrative, judicial or notarial control, or any combination thereof.
2. That control shall verify that:
 - (a) the formal requirements for the articles of association are fulfilled and, where the EU templates referred to in Article 8 are used, that they are used correctly;
 - (b) the mandatory minimum content is included as specified in the Annex;
 - (c) the name and the object of the EU Inc. comply with the requirements of this Regulation;
 - (d) the applicants have the necessary legal capacity and have authority to represent the EU Inc. company;
 - (e) any considerations that are to be contributed to capital have been provided in accordance with Article 64 (4), and, where applicable, that the additional requirements for considerations in kind have been met in accordance with Article 65.

Article 15

EU central interface

1. The Commission shall establish the EU central interface as part of the European electronic access point to BRIS as referred to in Article 22 of Directive (EU) 2017/1132.

⁴⁸ Directive (EU) 2015/2436 of the European Parliament and of the Council of 16 December 2015 to approximate the laws of the Member States relating to trade marks (recast) (OJ L 336, 23.12.2015, pp. 1–26), ELI: <http://data.europa.eu/eli/dir/2015/2436/2015-12-23>

2. The Commission shall make available electronically in all Union languages the EU templates referred to in Article 8, the application form referred to in Article 13 and relevant detailed guidance for the registration of and filing by an EU Inc. on the EU central interface.
3. Where an EU Inc. is formed through the EU central interface in accordance with Articles 16 and 17, the Commission shall ensure that the interface, through BRIS, transmits to the business register of the Member State of registration the application form and the articles of association. That business register shall share such data with national preventive control authorities.
4. The decision to register an EU Inc. in the national business register shall remain the responsibility of the competent national authority in accordance with national law compliant with the provisions of this Regulation and other Union law.
5. The EU central interface shall enable real-time tracking of the registration status of a company.
6. The EU central interface shall provide information about the registration of intellectual property rights, including trade marks and designs.
7. EU Inc. companies shall be able to file documents and information in accordance with Article 25(1) and Article 27(1) through the EU central interface.

Article 16

Fast-track formation through the EU central interface

1. Where an EU Inc. is formed through the EU central interface the prospective directors shall submit the application form referred to in Article 13 together with the EU templates referred to in Article 8.
2. Member States shall ensure that the preventive control carried out in accordance with Article 14 and the registration of the EU Inc. is completed within 48 hours from the submission of the documents referred to in paragraph 1 through the EU central interface and with a maximum cost of EUR 100 or equivalent sum in the currency applicable in the Member State of registration.

In case of those Member States which have not adopted the euro, the amount in national currency equivalent to the amount set out in subparagraph 1 shall be that obtained by applying the exchange rate published in the Official Journal of the European Union as at the date of the entry into force of any Regulation setting that amount.

For the purposes of conversion into the national currencies of those Member States which have not adopted the euro, the amount in euro specified in subparagraph 1 may be increased or decreased by not more than 5 % in order to produce round sum amounts in the national currencies.

Article 17

Formation through the EU central interface without using EU templates

1. Where an EU Inc. is formed through the EU central interface without using the EU templates referred to in Article 8, the prospective directors shall submit the application form referred to in Article 13 accompanied by the articles of association.
2. The preventive control carried out in accordance with Article 14 and the registration of the EU Inc. shall be completed within 5 working days from submission of the application form and the articles of association.

Article 18

Fully online formation with the business register

1. Where an EU Inc. is formed with the business register, the formation shall be carried out fully online by using the application form in accordance with Article 13 and the articles of association.
2. The preventive control shall be carried out in accordance with Article 14. Where the EU templates referred to in Article 8 are used, the registration shall be completed under the conditions laid out in Article 16 (2) and in other cases under the conditions laid down in Article 17 (2).

Article 19

Formation of EU Inc. subsidiaries

1. A company listed in Annex II or IIB to Directive (EU) 2017/1132 or an existing EU Inc. may form an EU Inc. as a subsidiary either through the EU central interface or fully online with the business register in accordance with Articles 16, 17 and 18.
2. Where a company listed in Annex II or IIB to Directive (EU) 2017/1132 or an existing EU Inc. forms an EU Inc. subsidiary, they shall not be requested to provide any documents or information that are available in BRIS.
3. In case of registering a subsidiary in another Member State, the business register registering the subsidiary shall automatically retrieve from BRIS and on the basis of the EUID the information and documents about the company forming the subsidiary.
4. In case of registering of a subsidiary in the same Member State, the documents or information about the company forming the subsidiary shall also be available in the business register of that company.

Article 20

Once-only submission for authorities

1. Following the registration of an EU Inc., with the business register, that business

register shall immediately exchange in digital form the information about the EU Inc., including its EUID, as well as the specific data for the purposes of obtaining the tax identification number (TIN) and the VAT identification number and for the beneficial ownership register received as part of the application form with the public authorities in charge of issuing the TIN and the VAT identification number and the beneficial ownership register in the Member State of registration. That business register shall also exchange in digital form the information about the EU Inc. with the social security authorities.

2. The EU Inc. shall not be required to provide the information referred to in paragraph 1 to the authorities and the beneficial ownership register referred to in paragraph 1.
3. The EU Inc. shall obtain the TIN and the VAT identification number from the public authorities in charge of issuing them digitally and without delay. The EU Inc. shall not be required to submit to those public authorities or to the beneficial ownership register a separate application; nor shall it be required to provide them with additional information unless it cannot be retrieved elsewhere and is strictly necessary for the purposes of issuing the VAT identification number.
4. The business register shall transmit to the public authorities referred to in paragraph 1, automatically and digitally, any changes to the information about the EU Inc. that those public authorities have received in accordance with paragraph 1.

Article 21

Creation through domestic and cross-border conversions, mergers or divisions

1. In addition to formation referred to in Articles 16 to 18, an EU Inc. may be created by any of the following methods:
 - (a) the domestic conversion of an existing company;
 - (b) the domestic merger of existing companies;
 - (c) the domestic division of an existing company;
 - (d) the cross-border conversion, division or merger of limited liability company or companies.
2. Creation of an EU Inc. by a domestic conversion shall be governed by the national law applicable to the converting company.
3. Creation of an EU Inc. by a domestic merger or division of existing companies shall be governed by the national law applicable to each of the merging companies or to the dividing company.
4. A company or companies can only be involved in a domestic conversion, merger or division as referred to in paragraphs 2 and 3, provided that two years have elapsed since their registration or the first two sets of annual accounts have already been approved for any such company.
5. Creation of an EU Inc. through a cross-border conversion, division or merger shall

be carried out in accordance with Chapters I, II and IV of Directive (EU) 2017/1132.

6. An EU Inc. may change into a national limited liability company in the Member State where it is registered, in accordance with the methods set out in paragraph 1. In case of a domestic operation as referred to in that paragraph, no decision on such an operation can be taken before two years have elapsed since its registration or before the first two sets of its annual accounts have been approved.

Article 22

Disqualified directors

1. Persons applying to become directors of an EU Inc. shall declare whether they are aware of any circumstances which could lead to a disqualification in the Member State concerned both in case of formation of an EU Inc and in case of filing information about the appointment of a new director.
2. A person currently disqualified from acting as a director in another Member State may not become a director of an EU Inc.
3. Member States shall ensure that they have rules on disqualification of directors. Those rules shall include providing for the possibility to take into account any disqualification that is in force, or information relevant for disqualification, in another Member State. For the purpose of this Article, directors shall at least include the persons referred to in Article 25(1), point (f).
4. Member States shall apply Article 13i (1), (3), (4), (6) and (7) of Directive (EU) 2017/1132 related to the exchange of information about persons applying to become directors of an EU Inc. company.

Article 23

Signature of digital filing via EU central interface

1. Any documents and information filed via the EU central interface shall be signed by means of trust services referred to in Regulation (EU) No 910/2014 or using the signing function of the European Business Wallet referred to in [PO: Reference to Proposal for a Regulation of the European Parliament and of the Council on the establishment of European Business Wallets COM(2025) 838], if applicable.
2. Filings referred to in paragraph 1 include:
 - (a) any forms for the filings by or on behalf of the company;
 - (b) any resolutions of the general meeting;
 - (c) any resolutions of other company bodies;
 - (d) any personal declarations by the persons concerned or on behalf of them.

Article 24

Electronic filing agent

1. Using the digital EU power of attorney referred to in Article 31, an EU Inc. may authorise a person (the “electronic filing agent”) to sign documents and submit forms on its behalf through the EU central interface in accordance with this Regulation.
2. The EU central interface shall verify automatically the digital EU power of attorney.

CHAPTER III - ACCESSIBILITY AND CROSS-BORDER USE OF EU INC. INFORMATION

Article 25

Documents and information to be made available in the business register

1. The Member State of registration shall ensure that the following documents and information filed by the EU Inc. in accordance with Article 27 are made publicly accessible in the business register:
 - (a) the name and legal form of the EU Inc.;
 - (b) the registered office of the EU Inc., composed of street name, street number, postal code and Member State where it is registered;
 - (c) where available, details of the electronic presence of the EU Inc.;
 - (d) the object of the EU Inc., describing its main activity or activities, expressed using the relevant Statistical Classification of Economic Activities in the European Community (NACE) code and, if any, further details on the object or purpose of the EU Inc.
 - (e) the articles of association and a consolidated version after any amendment in all language versions referred to in Article 7;
 - (f) the appointment, termination of office and information of the persons who either as a body constituted pursuant to law, including the board of directors, or as members of any such body:
 - i. are authorised to represent the EU Inc. in dealings with third parties and in legal proceedings; it shall be apparent from the disclosure whether the persons authorised to represent the EU Inc. may do so individually or are required to act jointly;
 - ii. take part in the administration, supervision or control of the company;
 - (g) any decision to waive the experts’ report as referred in Article 65(5);
 - (h) the accounting documents for each financial year which are required to be published in accordance with Council Directives 86/635/EEC and 91/674/EEC and Directive 2013/34/EU of the European Parliament and of

- the Council;
- (i) where an EU Inc. is or becomes a single-member company, the identity of the sole member;
 - (j) the winding up of the EU Inc.;
 - (k) the appointment of liquidators, their information and their respective powers, unless such powers are expressly and exclusively derived from law or from the articles of association;
 - (l) any termination of a liquidation.
2. Member States shall ensure that the competent courts and other relevant public authorities responsible under national law make available to the business register of registration the following documents and information and that they are publicly accessible in that business register:
- (a) any declaration of nullity of the EU Inc.;
 - (b) any other decision related to the EU Inc. with universal effect which is changing the documents or information under paragraph 1.
3. The Member State of registration shall ensure that the following documents and information provided by the business register of registration are publicly accessible therein:
- (a) the registration number of the EU Inc. and its EUID;
 - (b) the status of the EU Inc., such as when it is closed, struck off the register, in liquidation, wound up, dissolved or inactive;
 - (c) information on any branches opened by the EU Inc. in another Member State including the name, registration number, EUID and the Member State where the branch is registered, as resulting from the exchanges of information between business registers through BRIS, the EU Company Certificate referred to in Article 29.
4. Paragraphs 3 to 6 of Article 16, on reliability by third parties and machine readability, and paragraphs 3 and 4 of Article 16a, on true copies and the use of trust services, of Directive (EU) 2017/1132 shall apply.
5. Member States shall ensure that digital copies and extracts of the documents and information provided by the register are compatible with the European Digital Identity Wallet as provided for in Regulation (EU) 910/2014 and the Business Wallets referred to in [PO: Reference to Proposal for a Regulation of the European Parliament and of the Council on the establishment of European Business Wallets].

Article 26

Documents and information to be made available through BRIS

1. The following shall be made publicly available through BRIS
 - (a) the documents and information referred to in Article 25;
 - (b) the average number of employees of the EU Inc. during the financial year, where national law requires such information to be made available in the company's financial statements and from the moment such information is extractable as data
 - (c) the information about groups under Article 19b of Directive (EU) 2017/1132 which shall apply mutatis mutandis to EU Inc. companies;
 - (d) at least the information and documents listed in Article 25, 1, points a) to f) and j), and paragraph 3 points a) to c) shall be publicly available free of charge on the business register and on BRIS. The price of obtaining a copy of the other documents and information listed in Article 25 shall not exceed the administrative costs thereof, including the costs of development and maintenance of business registers.
2. Article 19(3) of Directive (EU) 2017/1132 shall apply.

Article 27

Filing and up-to-date register documents and information

1. EU Inc. companies shall file all documents and information referred to in Article 25(1) and Article 40(2) point (a) either through the EU central interface or directly with the business register.
2. EU Inc. companies shall keep up to date their documents and information stored in the business register. The changes shall be filed and the business registers shall be kept up to date in accordance with Article 15 of Directive (EU) 2017/1132. The changes filed shall be subject to preventive control in accordance with Article 14 of this Regulation.
3. Notwithstanding paragraph 2, an EU Inc. companies shall file amendments to the articles of association within 5 days after the amendment resolution has been made. Where filed amendments update the EU template referred to in Article 8, the consolidated version of the articles of association shall be automatically created. Where amendments to articles of association, without using the EU templates referred to in Article 8, are filed, the consolidated articles of association shall also be filed. For amendments within the EU template structure filed through the EU central interface the deadlines and cost limit for the fast-track registration laid down in Article 16(2) shall apply.
4. The documents and information referred to in Article 25(2), including any changes to such documents and information shall be submitted by the competent court or the public authority directly to the business register within the deadlines laid down in Article 15 of Directive (EU) 2017/1132.
5. All filings of documents and information, including other than those referred to in paragraph 1, with the business register shall be fully online and use electronic identification means in accordance with Regulation (EU) No 910/2014 or Business Wallets referred to in [PO: Reference to Proposal for a Regulation of the European

Article 28

Once-only principle for company data during the lifecycle of the EU Inc.

1. Where in the context of an administrative or judicial procedure, public authorities need to consult specific information about the EU inc. which is publicly available through BRIS and in the business register, the EU Inc. shall not be requested to submit such information.
2. Paragraph 1 is without prejudice to the obligation laid down in Union or national law to submit documents to complete procedural requirements or exceptionally and on a case-by-case basis, where public authorities have reasonable grounds to suspect abuse or fraud related the EU Inc. company.
3. Member States may establish optional access point for public authorities to have access to BRIS in accordance with Article 22(5) of Directive (EU) 2017/1132.

Article 29

Duty to disclose the identity of companies and branches

1. The EU Inc.'s business related communication, regardless if in digital or paper form, shall contain the following information:
 - (a) company name;
 - (b) EUID;
 - (c) address of the EU Inc.'s registered office;
 - (d) digital correspondence address of the EU Inc.;
 - (e) address of the EU Inc.'s digital presence, for example its website.
2. The EU Inc.'s digital presence shall indicate at least the information mentioned in the first paragraph.
3. Paragraphs 1 and 2 shall also apply to the business-related communication by a branch of an EU Inc. company registered in another Member State. In addition, that communication shall include the Member State in which the branch is registered as well as the EUID of that branch.

Article 30

EU Company Certificate

1. The business register of registration shall issue a multilingual EU Company Certificate at the request of an EU. Inc. company. The EU Company Certificate shall be accepted in all Member States as sufficient evidence, at the time of its issuance, of the incorporation of the company and of the information contained therein.
2. Business registers shall issue the EU Company Certificate to the EU Inc. in accordance with paragraphs Article 16b (1), (2) and (4) to (7) of Directive (EU)

2017/1132.

3. EU Company Certificate shall be compatible with the European Digital Identity Wallets referred to in Regulation (EU) No 910/2014 and the European Business Wallets referred to in [PO: Reference to Proposal for a Regulation of the European Parliament and of the Council on the establishment of European Business Wallets], where available.

Article 31

Digital EU power of attorney

1. The EU Inc. shall be able to use the digital EU power of attorney to carry out procedures in another Member State in the scope of this Regulation, in particular the formation of companies, the registration or closure of branches, and cross-border conversions, mergers and divisions.
2. EU Inc. company can use a template, which exist in all official languages of the Union, for the digital EU power of attorney to authorise a person to represent the company in accordance with Article 16 (1) to (3) of Directive (EU)2017/1132.
3. The digital EU power of attorney shall be compatible for use with the European Digital Identity Wallets referred to in Regulation (EU) No 910/2014 and the European Business Wallets referred to in [PO: Reference to Proposal for a Regulation of the European Parliament and of the Council on the establishment of European Business Wallets] where available.

Article 32

Exemption from legalisation and any similar formality and related safeguards

1. Where digital copies and extracts of documents and information about an EU Inc., provided and certified as true copies by a business register, including certified translations, and authenticated by means of trust services referred to in Regulation (EU) No 910/2014 or by means of the European Business Wallets referred to in [PO: Reference to Proposal for a Regulation of the European Parliament and of the Council on the establishment of European Business Wallets], where available, are to be presented in another Member State, they shall be exempted from legalisation and any similar formality in accordance with Article 16d (1) of Directive (EU) 2017/1132.
2. Where digital notarial acts, administrative documents, their certified copies and translations issued in a Member State related to an EU Inc. and authenticated by means of trust services as referred to in Regulation (EU) No 910/2014 or by means of the European Business Wallets referred to in [PO: Reference to Proposal for a Regulation of the European Parliament and of the Council on the establishment of European Business Wallets], where available, are to be presented in another Member State, they shall be exempted from all forms of legalisation and any

similar formality in accordance with Article 16d (3) of Directive (EU) 2017/1132.

3. Article 16d (3) of Directive (EU) 2017/1132 shall apply *mutatis mutandis* to the EU Company Certificate referred to in Article 30 and the digital EU power of attorney referred to in Article 31 and to the pre-conversion, pre-merger and pre-division certificates transmitted in accordance with Articles 86n, 127a and 160n of Directive (EU) 2017/1132.
4. Article 16e of Directive (EU) 2017/1132 shall apply *mutatis mutandis* where authorities of other Member States than the Member State where digital copies and extracts or digital notarial acts were provided, have reasonable doubt as to origin or authenticity, including the identity of the seal or stamp, or have reason to consider that a document has been forged or tampered with.

Article 33

Exemption of translation

1. Translation of copies or extracts of documents related to EU Inc. provided by the business register shall not be required when the specific information needed about EU Inc. can be accessed and consulted:
 - (a) in the articles of association of an EU Inc.; or
 - (b) in the EU Company Certificate referred to in Article 30; or
 - (c) through the system of interconnection of registers and is identifiable through the explanatory labels referred to in Article 18 of Directive (EU) 2017/1132.
2. Without prejudice to paragraph 1, where the articles of association and other documents related to EU Inc. provided by a business register, are to be presented in another Member State, a certified translation can be required only when justified by the purpose for which the document is to be used, such as to meet a mandatory public disclosure requirement or to be presented in judicial proceedings, and it is strictly necessary.
3. Where the submission of a certified translation is justified in accordance with paragraph 2, that requirement shall be deemed fulfilled when the document is translated by a AI translation agent approved by the relevant Member State. These translation agents may be integrated as a functionality in the EU Business Wallet.
4. Member States shall decide which AI translation agents are to be approved for use in their administrative and judicial procedures. The Member States shall communicate the list of approved AI translation agents to the Commission and publish it on the EU central interface. The Member States shall update the list where relevant without undue delay.

Article 34

Central digital register

After the establishment of the EU central interface as referred to in Article 15, the Commission shall develop it further towards a central digital register for EU Inc. companies. For that purpose, the Commission shall be empowered to adopt implementing acts by *[PO: 18 months from the date of application of this Regulation]* in accordance with the examination procedure referred to in Article 107 to lay down technical specifications of the central register and to provide for optional guided forms and models for EU Inc. companies.

Article 35

Provisions related to BRIS

1. Documents and information referred to in Article 25 and 40 shall be available and searchable through BRIS in all the official languages of the Union in accordance with Article 18(3) of Directive (EU) 2017/1132.
2. The Commission and Member States shall ensure that the exchanges of information and availability of digital copies of documents and information through BRIS under Directive (EU) 2017/1132 apply to EU Inc. companies, unless this regulation provides specific rules. The Commission shall amend the Implementing Regulation 2021/1042 to extend its application to EU Inc companies.
3. The Commission shall, by means of an implementing act, by *[PO: the last day of the 9th month after the date of entry into force of this Regulation]*, provide for the following:
 - (a) establish the multilingual EU templates, including the technical specifications and detailed list of data, as referred to in Article 8;
 - (b) establish the multilingual application forms as referred to in Article 13 and Article 38, the automatic verification referred to in Article 13(7), including the technical specifications and the detailed list of data;
 - (c) the detailed list of data to be transmitted for the purpose of exchanging information between registers and the availability of documents and information through BRIS, as referred to in Articles 15(3), 19(3), 26, 38(4) and 40;
 - (d) the technical specifications on the compatibility between the EU Company Certificate and the EU power of attorney as referred to in Articles 30 and 31, with the Business Wallets referred to in *[PO: Reference to Proposal for a Regulation of the European Parliament and of the Council on the establishment of European Business Wallets]*.

CHAPTER IV - CROSS-BORDER BRANCHES

Article 36

General principles

1. An EU Inc. that is registered in a Member State may open a branch in another Member State.
2. Each branch of an EU Inc. company shall be registered with the business register of the Member State in which that branch is to be opened.

Article 37

Branch registration

1. An EU Inc. may register a branch in another Member State through the EU central interface by using the application form referred to in Article 38 and within the deadlines and cost ceiling in accordance with Article 16(2).
2. An EU Inc. may register a branch in another Member State fully online with the national business register of that Member State, using the application form referred to in Article 38, in accordance with Article 28a (6) of Directive (EU) 2017/1132.
3. The exchange of information about the registered branch between the business register of the branch and the business register of the EU Inc. shall be carried out in accordance with Article 28a (7) of Directive (EU) 2017/1132.

Article 38

Branch application form

1. An application form shall be used for the registration of a branch of an EU Inc. in another Member State through the EU central interface and with the national business register. It shall be digital, machine readable and shall collect information as structured data.
2. The application form shall be electronically signed by a director of the EU Inc. identified through electronic identification means in accordance with Regulation (EU) 910/2014 or Business Wallets referred to in [*PO: Reference to Proposal for a Regulation of the European Parliament and of the Council on the establishment of European Business Wallets*].
3. The application form shall include the information referred to of Article 40 (2) point (b) as well as specific information needed for:
 - (a) issuing the tax identification number, TIN for the branch;
 - (b) issuing the VAT identification number for the branch.
 - (c) The business register registering the branch shall automatically retrieve from BRIS and on the basis of the EUID the information about the EU Inc. referred to in point Article 40 (2) point (a).
4. The EU Inc. registering the branch shall not be required to provide any information and documents relevant for the branch registration procedure that are available in BRIS.

Article 39

Once-only submission of branch and company data to authorities

1. Following the registration of a branch of an EU Inc., with the business register, that business register shall immediately exchange in digital form the information about the EU Inc., and the branch submitted as part of the application form, as well as other relevant information available in that business register and through BRIS, including the EUID allocated to the branch, to the public authorities in charge of issuing the TIN and the VAT identification number and the beneficial ownership register. That business register shall also exchange in digital form the information about the EU Inc. and the branch with the social security authorities.
2. The EU Inc. and its branch shall not be required to provide any information available in the business register of the branch, available through BRIS or included in the application form, to the public authorities and the beneficial ownership register referred to in paragraph 1.
3. The cross-border branch of the EU Inc. shall obtain the TIN and the VAT identification number from the authorities in charge of issuing them electronically and without delay. Neither the EU Inc. nor its branch shall be required to submit a separate application to those public authorities or to provide additional information unless it cannot be retrieved elsewhere and is strictly necessary for the purposes of issuing VAT identification number.
4. The business register referred to in paragraph 1 shall transmit the public authorities referred to in paragraph 1, automatically and digitally, any changes to the information about an EU Inc. that those public authorities have received in accordance with paragraph 1.

Article 40

Availability of documents and information regarding branches

1. Information and documents about a branch registered by an EU Inc. which is governed by the law of another Member State shall be publicly available in the business register of the branch in accordance with Article 16 (3) to (6) of Directive (EU) 2017/1132 and through BRIS.
2. The compulsory disclosure shall cover the following information only:
 - (a) about the branch:
 - i. the name of the branch;
 - ii. the address of the branch;
 - iii. the activities of the branch;
 - iv. the appointment and information about the persons who are authorised to represent the company in dealings with third parties and in legal

proceedings as permanent representatives of the company for the activities of the branch, with an indication of the extent of their powers;

(b) about the EU Inc.:

- i. the business register of the EU Inc.;
 - ii. the name of the EU Inc.;
 - iii. the legal form of the EU Inc.;
 - iv. the registered office of the EU Inc.;
 - v. the registration number of the EU Inc.;
 - vi. the EUID of the EU Inc.;
 - vii. the appointment and information about the persons who are authorised to represent the company in dealings with third parties and in legal proceedings as a company organ constituted pursuant to law or as members of any such organ, in accordance with the disclosure by the company as provided for in Article 25;
 - viii. the winding-up of the EU Inc., the appointment of liquidators, information concerning them and their powers and the termination of the liquidation in accordance with disclosure by the EU Inc. as provided for in Article 25;
 - ix. insolvency proceedings, arrangements, compositions, or any analogous proceedings to which the EU Inc. is subject;
 - x. the closure of the branch.
3. The automatic exchange of information between the business register where the company is registered and the register of the branch under Article 30a of Directive (EU) 2017/1132 shall apply to the changes of information about the EU Inc.
 4. The automatic exchanges of information between the business register where the company is registered and the register of the branch under Articles 20, 28c and 34 of Directive (EU) 2017/1132 shall apply *mutatis mutandis* to EU Inc. companies and their cross-border branches.

Article 41

Cross-border mobility

An EU Inc. shall carry out cross-border conversions, divisions and mergers in accordance with Chapters I, II and IV of Directive (EU) 2017/1132.

CHAPTER V – ORGANISATION

Article 42

Company bodies

1. The articles of association shall lay down the rules concerning the organisation of the EU Inc. company and the conditions under which it is managed.
2. The company shall have a board of directors, which shall be responsible for the management of the company. The board of directors shall consist of one or more natural persons (directors). At least one of the directors shall be resident in the Union.
3. The board of directors may exercise all the powers of the company that are not required, by the applicable rules in accordance with Article 4, to be exercised by the general meeting or by another statutory body.
4. The general meeting shall have the power to appoint and dismiss directors at any time and to approve the annual accounts and to exercise other matters specified in this Regulation and in the articles of association. The general meeting may give instructions to the board of directors. Those instructions shall be binding on the board of directors, unless they are contrary to the applicable rules in accordance with Article 4.

Article 43

Representation of the company

1. The EU Inc. company shall be represented by its directors. If the EU Inc. company has several directors, they shall represent the company jointly and shall be referred to as ‘co-directors’.
2. The articles of association may provide, or the general meeting may decide, that, where the company has several directors, all or certain directors represent the company individually. Such limitation of the power of representation may only be relied upon against third parties where it is made publicly available in accordance with Articles 25 and 27.
3. Other limitations on the powers of representation of the directors arising from the articles of association or from a decision of a statutory body may not be relied upon against third parties.
4. The EU Inc. company shall be bound by the acts performed by its directors, even where those acts are beyond the scope of its object.
5. The directors may delegate any of their powers to individuals who, in exercising the delegated powers, shall adhere to any legal obligations imposed on directors.

Article 44

Directors’ duties

1. Without prejudice to further obligations that may apply in specific situations, a director shall have the duty to always act:
 - (a) in accordance with the company’s articles of association;
 - (b) in good faith and in the best interests of the company;
 - (c) with reasonable care, skill and diligence.

2. A director shall be liable to the company for any act or omission in breach of a duty deriving from this Regulation, the articles of association or a resolution of the general meeting which causes loss or damage to the company.
3. A director shall not be liable to the company:
 - (a) for any damage or loss incurred by the company resulting from a business decision provided that he or she acted in good faith, exercised the care that a reasonably prudent person would use, and had the reasonable belief that he was acting in the best interests of the company;
 - (b) for any damage or loss incurred by the company resulting from an action taken based on a lawful resolution of the general meeting.
4. The liability of directors shall be further governed by the applicable national law.

Article 45

Directors' conflicts of interest

1. Unless otherwise provided in the articles of association, a director shall inform the board of directors or, in the event of a sole director that is not at the same time the only shareholder, the general meeting, of any matter that may involve a conflict of interest between the director's own interest and the company's interest.
2. A director shall refrain from taking part in a decision relative to a matter in which he or she has a conflict of interest, unless the general meeting or the articles of association have authorised the director to take part in such decision.

Article 46

Related party transactions

1. The articles of association may:
 - (a) require that certain or all transactions between the EU Inc. and all or certain directors, shareholders or related parties are approved by or brought to the attention of the board of directors, the general meeting or of the directors or shareholders not involved in those transactions;
 - (b) specify related party transactions that, due to their purpose, price or any other feature of the transaction, are deemed to conflict with the EU Inc. company's best interests and shall not be concluded.
2. When a transaction is concluded with a director or a shareholder in breach of the relevant provisions of the articles of association adopted pursuant to paragraph 1, that director or shareholder concerned shall be liable for any damage caused to the EU Inc. company as a result of that transaction.
3. In case an EU Inc. is a single-member company, contracts between the sole member and the company as represented by that sole member shall be drawn up in writing, except for contracts related to current operations concluded under normal conditions.

Article 47

Meetings and voting by electronic means

1. The general meeting and meetings of the board of directors may be held fully online or in hybrid form. Member States shall not impose any requirements or conditions restricting the ability to hold meetings and vote by electronic means.
2. The board of directors shall determine the electronic communication means to be used.
3. In case of online and hybrid general meetings, the company shall ensure that shareholders are able to:
 - (a) attend and participate in the meeting in real-time;
 - (b) exercise their voting rights;
 - (c) be identified by electronic means considered valid by the board of directors to ensure the authenticity of the participation.

Article 48

Written resolutions

1. Decisions of shareholders shall be adopted at the general meeting, unless the articles of association provide that decisions may be adopted without a meeting by means of written resolutions or all shareholders agree in writing to cast votes in writing.
2. A written resolution is passed when the required majority of shareholders holding eligible votes has signed it. The majority required shall be the same as that required for a decision adopted at a general meeting.
3. Written resolutions may be adopted by electronic means provided that:
 - (a) the text of the proposed resolution is sent or made available digitally to all shareholders;
 - (b) their consent is expressed in a durable and verifiable manner (including by simple digital exchange); and
 - (c) the identity of the persons expressing consent can be reliably established.
4. Written resolutions adopted in accordance with this Article shall have the same legal effect as decisions adopted at a general meeting.
5. In case an EU Inc. is a single-member company, decisions adopted by the sole shareholder exercising the powers of the general meeting shall be drawn up in writing.

Article 49

Quorum and majorities

1. The quorum for shareholders' decisions shall be constituted by the holders of a simple majority of the shares entitled to vote, present or represented at the meeting, unless the articles of association provide otherwise.
2. Shareholders' decisions shall be adopted by a simple majority, unless the articles of association provide otherwise.
3. Amendments to the articles of association shall be adopted by a qualified majority of two-thirds of the votes cast, unless the articles of association provide otherwise. In

case an amendment increases the financial commitments or liability of a shareholder, such an amendment shall also require the express consent of that shareholder.

Article 50

Amendment of the articles of association

1. The articles of association of the EU Inc. may be amended by a decision of the general meeting adopted in accordance with Article 49(3).
2. The board of directors may make editorial changes of non-substantive nature to the articles of association without a decision of the general meeting.

Article 51

Protection of class rights

1. Where a decision of the general meeting or of the board of directors would modify or alter the specific rights, preferences, or privileges attached to a class of shares, such decision shall not take effect without the approval of the holders of that class.
2. Unless otherwise provided in the articles of association, the following events shall amongst other be deemed to modify or alter the rights of a class:
 - (a) reducing the nominal value (if any) or the dividend rights of that class;
 - (b) altering the order of priority for distribution of profits or liquidation proceeds;
 - (c) creating a new class of shares having rights superior to the rights attached to an existing class.
3. Unless the articles of association provide otherwise, the approval referred to in paragraph 1 shall require the qualified majority of two-thirds of the votes cast within the impacted class of shares.

Article 52

Withdrawal of a shareholder

1. Upon application by a shareholder of an EU Inc. company, the competent court shall order the EU Inc. and the other shareholders to acquire that shareholder's shares if it finds that the company's affairs are being or have been conducted in a manner oppressive to him or her.
2. The application referred to in paragraph 1 shall be filed against the EU Inc. company and all other shareholders.
3. Where the competent court finds in favour of the applicant, the EU Inc. company shall, on the account of the other shareholders and in proportion to the number of shares they hold, purchase the shares held by the applicant at a price corresponding to the fair value determined by the court on the date of service of the application referred to in paragraph 1. The court shall also specify the period within which the share price is to be paid to the outgoing shareholder, together with interests accrued from the date of service of the application.
4. The EU Inc. and the other shareholders are jointly and severally liable for the payment of the share price referred to in paragraph 3.

CHAPTER VI – DIGITAL REGISTER, SHARES AND SHARE TRANSFERS

Article 53

Registered shares

1. The shares of the EU Inc. shall be dematerialised and recorded into a digital register of shares. The registration of shares into the digital register of shares shall have constitutive effect and evidence the ownership of the shares.
2. The articles of association may provide that shares are issued, recorded and transferred using distributed ledger technology or other digital solutions.
3. The EU Inc. company shall not have bearer shares.

Article 54

Digital register of shares

1. Every EU Inc. shall create upon registration and maintain an up-to-date digital register of shares, ensuring the integrity and security of the register, which shall contain at least the following information:
 - (a) the identity and address of all the shareholders;
 - (b) the identifier assigned for each share;
 - (c) if shares have a nominal value, their nominal value;
 - (d) the date of subscription of each share;
 - (e) if applicable, that the share is redeemable;
 - (f) the amount of each consideration in cash, if any, paid or to be paid, by the shareholder concerned;
 - (g) the value and nature of each consideration in kind, if any, provided or to be provided by the shareholder concerned;
 - (h) the date of acquisition of transferred shares;
 - (i) the sequence number assigned to each share transfer;
 - (j) where there are multiple classes of shares, the class of each share;
 - (k) where a share is owned by more than one shareholder, identity and address of a common representative;
 - (l) if any, the information about encumbrances, pledges, or restrictions on the shares and the name of their beneficiaries.
2. The digital register of shares shall be accessible to any shareholder and any other interested party with a legitimate interest, in accordance with Regulation (EU) 2016/679.
3. At the request of a shareholder and after each transfer of shares, the EU Inc. company shall deliver, without undue delay, a digital share certificate to the new shareholder. The digital share certificate shall confirm the entitlement of that person to the status of a shareholder.

4. The digital share certificate shall contain the following elements:
 - (a) an excerpt from the digital share register regarding all the information specified in paragraph 1 concerning the ownership of the shareholder requesting the certificate,
 - (b) the main legal information concerning the EU Inc., including at least its registered office, its EUID and the total number of its shares,
 - (c) a digital timestamp providing a certain date for the entry in the register,
 - (d) a statement regarding any recorded encumbrances, pledges, or restrictions on the shares.
 - (e) Member States shall not impose any additional requirements concerning the minimum content or form of the digital share certificate.
5. The digital share certificate shall be dated using a qualified electronic time stamp, and sealed using a qualified electronic seal or signed using qualified electronic signature by the company or a member of the board of directors, or a person authorised by the board of directors, in accordance with Regulation (EU) No 910/2014 or Business Wallets referred to in [*PO: Reference to Proposal for a Regulation of the European Parliament and of the Council on the establishment of European Business Wallets*].

The digital share certificate may be compatible with the European Digital Identity Wallet [*PO: Reference to Proposal for a Regulation of the European Parliament and of the Council on the establishment of European Business Wallets*].

Article 55

Equality of shares and classes of shares

1. All shares in the EU Inc. company shall carry equal rights and obligations unless otherwise provided in accordance with paragraph 2. Shareholders in the same position shall be afforded equal treatment by the EU Inc. company.
2. The articles of association may provide for multiple classes of shares with non-identical rights and obligations attached to them. Shares carrying the same rights and obligations shall constitute one class.
3. The rights and obligations referred to under the first subparagraph may amongst other include preferences in the distribution of profits or liquidation proceeds, veto rights, multiple voting rights, the exclusion of voting rights, other specific governance rights for certain classes of shares, and obligations or rights related to the transfer of shares.

Article 56

Exercise of shareholder rights

1. Shareholder rights related to a share shall take effect upon entry of the information listed in Article 54(1) into the digital register of shares.
2. If several persons hold a share jointly, they shall appoint a common representative to exercise shareholder rights in the company. The co-holders of a share continue to be jointly and severally liable for the commitments attached to this share.

3. The EU Inc. company shall provide shareholders with sufficient information regarding the items on the agenda of the general meeting prior to that meeting.
4. Every shareholder shall have the right to ask questions related to items on the agenda of the general meeting. The company shall answer such questions, provided that the disclosure of the requested information is not deemed by the board of directors to cause material damage to the company or to be contrary to law.
5. The articles of association may provide that certain or all shareholders shall be entitled to examine the financial books of the company at their request.
6. Shareholders holding at least one-tenth (1/10) of the number of shares may at any time request the competent court or administrative authority to appoint an independent expert to carry out an investigation on suspicions of a material breach of law or of the articles of association by the company. The request shall state the specific grounds for suspicion and the purpose of the investigation.

The articles of association may grant the right set out in subparagraph 1 to individual shareholders or to shareholders holding less than one-tenth of the number of shares.

7. The competent court or administrative authority shall determine the scope of the investigation referred to in paragraph 6. The expert shall be allowed access to the company's documents and records by the company and to require information from the board of directors for the purpose of the investigation. The expert shall submit a report on the result of the investigation which shall be made available to all shareholders. The report shall not include trade secrets or sensitive commercial information.
8. The remuneration of the independent expert referred to in paragraph 6 shall be paid by the company. The articles of association may provide that shareholders requesting an investigation shall reimburse the company for the remuneration where the report does not establish any material breach of law or of the articles of association.

Article 57

Voting rights

1. One share shall always carry one vote unless otherwise provided in the articles of association.
2. A shareholder may not vote differently on different shares, unless otherwise provided in the articles of association.
3. The articles of association may provide that a share carries no voting rights or that a share does not carry a vote in certain matters dealt with by the general meeting.
4. In a matter where a share does not carry a vote as referred to in paragraph 3, that share shall not be taken into account when calculating the quorum and majority required for a decision of the general meeting.

Article 58

Transfer of shares

1. Shares in the EU Inc. shall be freely transferable unless otherwise provided by the articles of association.

2. The transferee and the transferor shall be jointly liable to the company for any consideration for shares that is still outstanding at the time of transfer.

Article 59

Digital procedure for the transfer of shares

1. The transfer of shares and the registration of a transfer of shares in the digital register of shares may be concluded fully online.
2. Member States shall not impose any requirements or conditions restricting the ability to conclude the transfer of shares and the registration of a transfer of shares fully online.
3. The transfer of shares shall be deemed to be valid through an agreement sealed using a qualified electronic seal or signed using qualified electronic signature within the meaning of Regulation (EU) No 910/2014, including through the European Business Wallets as referred to in [PO: Reference to Proposal for a Regulation of the European Parliament and of the Council on the establishment of European Business Wallets].
4. Where a party is unable to provide a qualified electronic seal or a qualified electronic signature referred to in sub-paragraph 1, the transfer may be concluded via an advanced electronic signature or advanced electronic seal within the meaning of Regulation (EU) No 910/2014, provided it is accompanied by evidence of identity verified through a qualified trust service provider within the meaning of Regulation (EU) No 910/2014.
5. Member States shall not impose any additional formalities, including a requirement for a notarial deed, for the transfer to be legally valid.
6. The transfer of shares shall only become effective once it has been recorded in the digital register of shares. Both parties to the share transfer shall notify the share transfer to the EU Inc. company in writing through digital means and submit the signed agreement along with the information specified in Article 54(1).
7. Upon receipt of a complete notification of a share transfer, the EU Inc. company shall review the documentation to verify the legal title of the transferor to transfer the share and compliance with the company's articles of association.
8. The EU Inc. company shall register the transfer in its digital register of shares or inform the parties to the agreement on the grounds for refusing the registration within three working days of receiving the complete notification under paragraph 4.
9. The EU Inc. company shall issue a digital share certificate to the new shareholder immediately upon registering the transfer in the digital register of shares.
10. Any rectification of the data recorded in a digital register of shares in cases of manifest errors, technical errors, fraud, or where the company fails to record a validly executed transfer shall be carried out in accordance with national law.

Article 60

Access to public markets for shares

1. Member States shall not prohibit an EU Inc. company from seeking admission to trading of its shares on a multilateral trading facility, provided that the company complies with the applicable requirements under Union and national laws.
2. An EU Inc. company may seek admission to trading of its shares on a regulated market where Member States provide for that possibility in their national legislation and subject to compliance with the applicable requirements under Union and national laws.

CHAPTER VII – FINANCING

Article 61

Non-par value of shares

1. Unless otherwise provided in the articles of association, the shares of the EU Inc. company shall have no nominal value and shall not represent a fraction of the company's capital (non-par value shares).
2. Where the articles of association provide for a nominal value of shares (par value shares), the nominal value shall represent the fractional value of the company's capital. All shares in the company shall have the same nominal value.
3. An EU Inc. company shall not have both shares with and without a nominal value.

Article 62

Amount of capital

1. The company is not required to have a minimum amount of capital nor is it required to build up capital or legal reserves over time.
2. The capital of the company shall be expressed in euro or, in Member States in which the official currency is not the euro, the official currency of the Member State of registration.
3. Where the company issues shares with a nominal value, the contribution to capital for each share shall be equal to its nominal value. The capital shall be fully subscribed.

Article 63

Maintenance of equity

1. The assets of the company required to maintain the capital shall not be distributed to the shareholders, unless the capital is reduced in accordance with Art. 77.
2. Any consideration or part of a consideration for shares that is not contributed to capital shall not be subject to the restriction under paragraph 1 and shall be freely distributable in accordance with Article 72, unless otherwise provided in the articles of associations or a decision to issue new shares.

Article 64

Consideration for shares

1. Shareholders shall provide the agreed consideration for shares in accordance with the articles of association or the decision to issue new shares.
2. The consideration for shares may take the form of any transfer of economic value, including cash payments and payments in kind in accordance with the requirements laid down in Article 65.
3. Shares may be issued against consideration to be contributed to capital or consideration not to be contributed to capital, or a combination of both.
4. Any part of the consideration that is to be contributed to capital shall be fully provided upon issue of the shares.
5. For any part of the consideration that is not a contribution to capital, the articles of association or the decision to issue new shares may provide that the consideration has to be provided within a specified time period or upon request by the company. In any case, the consideration shall be provided in full at the latest five years from the date of the issuance of the shares.

Article 65

Requirements for in-kind considerations

1. Considerations in kind may be contributed to capital, unless they take the form of an undertaking to perform work or supply services.
2. All in-kind considerations for shares shall have a determinable value. The value of in-kind considerations for the first shares shall be specified in the articles of association. Where new shares are issued against a consideration in kind, the value of the consideration shall be specified in the decision on the issuance of the shares.
3. A report by one or more independent experts appointed or approved by an administrative or judicial authority shall be drawn up before the issuance of shares against a consideration in kind.
4. The experts' report referred to in paragraph 3 shall contain at least a description of each of the assets comprising the consideration as well as of the methods of valuation used and shall state whether the values determined by the application of those methods correspond at least to the value specified in accordance with paragraph 2. The report shall be filed and made publicly available in the business register.
5. The articles of association or a decision of the general meeting adopted with the same majority as required for amendments to the articles of association may waive the requirement for the experts' report referred to in paragraph 3 for in-kind considerations or parts thereof that are not to be contributed to capital. A decision to waive the experts' report shall be filed and made publicly available in the business register.
6. Where an in-kind consideration has been significantly overvalued in relation to its fair value on the date on which the shares were subscribed, the shareholder who has provided such consideration shall compensate the company for the shortfall.

Article 66

Issuance of first shares

1. The subscriptions for the first shares shall be declared in the articles of association.
2. The first shares shall be registered in the digital register of shares at the time of its creation.

Article 67

Issuance of new shares

1. The general meeting shall decide on the issuance of new shares.
2. The articles of association may authorise the board of directors or another company body to decide on the issuance of new shares up to a specified maximum number of shares. The authorisation may empower the board of directors or another company body to restrict or exclude pre-emption rights on new shares issued against cash consideration.
3. The decision on the issuance of new shares shall set out the number of shares to be issued, the consideration for a share and if any part of the consideration is to be contributed to capital.
4. Subscriptions for new shares may be concluded fully online. Member States shall not impose any requirements or conditions restricting the ability to conclude subscriptions for new shares fully online, including requirements for subscribers of shares to apply for a tax identification number in person.
5. A subscription shall be deemed to be valid through an agreement between the company and the subscriber sealed using a qualified electronic seal or signed using qualified electronic signature within the meaning of Regulation (EU) No 910/2014.
6. Where the subscriber is unable to provide a qualified electronic seal or a qualified electronic signature referred to in subparagraph 1, the agreement may be concluded via an advanced electronic signature or advanced electronic seal within the meaning of Regulation (EU) No 910/2014, provided it is accompanied by evidence of identity verified through a qualified trust service provider within the meaning of Regulation (EU) No 910/2014.

Member States shall not impose any additional formalities, including a requirement for a notarial deed, for the subscription to be legally valid.

7. A subscription for new shares shall indicate the subscriber, the share issue decision on which the subscription is based, the shares that are being subscribed for, any consideration to be paid and if any part of the consideration is to be contributed to capital.
8. The board of directors shall register newly subscribed shares without undue delay once any consideration immediately due upon subscription has been fully paid and all terms of subscription have been met.
9. The board of directors shall update the number of shares and, where a contribution to capital is made, the amount of capital indicated in the articles of association in accordance with Article 27.

Article 68

Instruments entitling to new shares

1. The general meeting shall decide on the issuance of convertible instruments, warrants or other instruments entitling to new shares.
2. The articles of association may authorise the board of directors or another company body to decide on the issuance of instruments entitling to new shares up to a specified number of new shares. The authorisation may empower the board of directors or other company body to restrict or exclude pre-emption rights on instruments entitling to new shares.
3. The decision on the issuance of instruments entitling to new shares shall set out the purpose of the issuance, the persons or group of persons to whom the instruments are offered, the number of instruments to be issued, any consideration to be paid for the instruments and the terms for the exchange for or subscription for new shares.
4. The board of directors shall decide on the issuance of new shares for the purpose of satisfying claims arising from instruments entitling to new shares. The requirements for new shares laid down in Articles 64, 65 and 67(3) to (8) shall apply for the issuance of those shares. An exchange of claims for new shares by means of a convertible instrument shall be deemed a consideration in cash. Where the company's shares have a nominal value, any difference between the nominal share value and a lower issue price of a convertible instrument may be covered by funds that are determined by the board of directors to be available for distribution in accordance with Article 72.

Article 69

Pre-emptive rights

1. Unless otherwise specified in the articles of association, new shares issued against a consideration in cash or instruments entitling to new shares as referred to in Article 68 shall be offered on a pre-emptive basis to the shareholders in proportion to their shareholding. Shareholders shall have no pre-emptive rights on new shares issued to satisfy claims arising from instruments entitling to new shares.
2. Shareholders may exercise their pre-emptive right within fourteen (14) days of the offer.
3. When deciding on an issuance of new shares or of instruments entitling to new shares as referred to in Article 68, the general meeting or the board of directors where it is authorised in accordance with Articles 67(2) or 68(2) may modify or exclude the pre-emptive rights for that issuance.

Article 70

Capital increase

1. The capital may be increased in the following ways:
 - (a) by issuing new shares against consideration in the form of contributions to capital, as provided in Article 64;
 - (b) by converting reserves to capital (capital increase from reserves).
2. The capital shall be considered to have been increased once the increase has been made publicly available in the business register.

Article 71

Capital increase from reserves

1. The general meeting shall decide on a capital increase from reserves.
2. The articles of association may authorise the board of directors or another company body to decide on the capital increase from reserves.
3. The decision on the capital increase from reserves shall indicate the amount of the increase and the reserves to be converted to capital. Reserves earmarked for a specific purpose shall not be converted to capital unless that conversion to capital is compatible with their purpose.
4. The board of directors shall update the amount of capital and, where the shares of the company have a nominal value, the nominal value indicated in the articles of association in accordance with Article 27.

Article 72

Distributions

1. The general meeting shall decide on distributions.
2. The articles of association may authorise the board of directors or another company body to decide on distributions.
3. The decision on a distribution shall only take effect if the board of directors certifies in a statement signed by all directors that, based on the most recent financial statements and after thoroughly examining the company's current and future affairs, it has formed the reasonable opinion that following the distribution,
 - (a) the total amount of assets as set out in the most recent balance sheet would remain greater than the total amount of liabilities and capital (balance sheet test), and
 - (b) the company will be able to pay its debts as they fall due in the normal course of business in the 12 months following the date of the distribution (solvency test).
4. Where the company carries out a distribution in violation of paragraphs 1, 2 or 3 or where the directors signing the statement referred to in paragraph 2 knew or, in view of the circumstances, should have known at the time of the statement that, following the distribution, the total amount of assets of the company would not remain greater than the total amount of liabilities and capital or that the company would no longer be able to pay its debts in the 12 months following the date of distribution, they shall be jointly and severally liable to the company for all damages resulting from the distribution.
5. Where a shareholder has received a distribution carried out in violation of paragraphs 1, 2 or 3 or where the shareholder knew or, in view of the circumstances, should have known at the time of the distribution that, following the distribution, the total amount of assets of the company would not remain greater than the total amount of liabilities and capital or that the company would no longer be able to pay its debts in the 12 months following the date of distribution, the shareholder shall be required to

return the distribution to the company to the extent that commitments entered into with creditors so require.

Article 73

Subscription of own shares

1. The shares of a company shall not be subscribed for by the company itself. Shares subscribed for in the company's name in contravention of this paragraph are deemed to be subscribed for by the founders or, in case of an issuance of new shares, by all directors, who shall be jointly and severally liable for the consideration for the shares.
2. If the shares of a company have been subscribed for by a person acting in his or her own name, but on behalf of the company, the person shall be deemed to have subscribed for them for his or her own account.

Article 74

Acquisition of own shares

1. The general meeting shall decide on the acquisition of the company's own shares for consideration or on the acceptance of own shares as security.
2. The articles of association may authorise the board of directors or another company body to decide on the acquisition of own shares for consideration or on the acceptance of own shares as security up to a specified maximum number of shares.
3. The company may not acquire its own shares or accept them as security before the consideration for them has been fully paid.
4. The company shall only acquire its own shares for consideration out of funds that are determined by the board of directors to be available for distribution in accordance with Article 72.
5. The company shall only accept its own shares as security if the amount of the claims to be secured or, where the value of the shares taken as security is lower than the amount of claims to be secured, that value does not exceed the amount of funds available for distribution.

Article 75

Treatment of own shares

1. The company may hold its own shares in treasury, transfer them in accordance with Articles 58 and 59 or cancel them.
2. The company shall not have any rights attached to own shares held in treasury.
3. The general meeting decides on the cancellation of own shares.
4. The articles of association may authorise the board of directors or another company body to decide on the cancellation of own shares.
5. Where the company's shares have a nominal value, the amount of the company's capital shall be reduced accordingly by the nominal amount of the shares cancelled.

Upon cancellation of own shares, the company shall transfer an amount in the aggregate nominal value of the cancelled shares to a reserve, which shall be treated as if it were part of the company's capital.

6. Upon cancellation of own shares, the board of directors shall update the number of shares and, where the company's shares have a nominal value, the amount of capital indicated in the articles of association in accordance with Article 27.

Article 76

Redeemable shares

1. The company may issue new shares that can be redeemed against the company (redeemable shares). The shares may be redeemable at the option of the company, of the shareholder, or of both, according to the decision on the issuance of the redeemable shares.
2. Redeemable shares shall be issued in accordance with Article 67. In addition to the elements referred to in Article 67(3) and (6), the decision on the issuance of redeemable shares and the subscription for such shares shall set out the conditions and manner of redemption and the redemption price or the basis for the determination of the redemption price.
3. Redeemable shares shall only be issued as long as the company has non-redeemable shares. Non-redeemable shares shall not be turned into redeemable shares after their issuance.
4. Redeemable shares shall only be redeemed if they have been fully paid up.
5. Upon redemption, redeemable shares are cancelled and the redemption price becomes payable to the shareholder.
6. The redemption price shall only be paid out of funds that are determined by the board of directors to be available for distribution in accordance with Article 72.
7. Redeemed shares shall be cancelled in accordance with Article 75(5) and (6). The board of directors shall be deemed authorised to cancel redeemed shares.

Article 77

Capital reduction

1. The general meeting shall decide on a capital reduction.
2. The decision on the capital reduction shall indicate the purpose, the way in which the reduction is to be carried out and the amount of the reduction.
3. The decision on a capital reduction shall only take effect if the board of directors certifies in a statement signed by all directors that, based on the most recent financial statements and after thoroughly examining the company's current and future affairs, it has formed the reasonable opinion that following the reduction,
 - (a) the total amount of assets as set out in the most recent balance sheet would remain greater than the total amount of liabilities after the capital reduction (balance sheet test), and

- (b) the company will be able to pay its debts as they fall due in the normal course of business in the 12 months following the date of the capital reduction (solvency test).

The statement of the board of directors on the balance sheet and solvency test shall be accompanied by a report of an independent expert appointed or approved by an administrative or judicial authority, stating that the expert has inquired into the company's state of affairs and is not aware of anything to indicate that the statement is unreasonable.

Sub-paragraphs 1 and 2 shall not apply where the capital is reduced for the sole purpose of covering losses that cannot be covered from other equity or for the purpose of increasing the capital at the same time at least by the amount of the reduction. The articles of association may authorise the board of directors or another company body to decide on a capital reduction for these purposes.

4. The board of directors shall update the amount of capital and, if applicable, the nominal value of shares in the articles of association in accordance with Article 27. The capital is considered to have been reduced once the reduction has been made publicly available in the business register.
5. Where the company carries out a capital reduction in violation of paragraphs 1 to 3 or where the directors signing the statement referred to in paragraph 3 knew or, in view of the circumstances, should have known at the time of the statement that, following the capital reduction, the total amount of assets of the company would not remain greater than the total amount of liabilities after the capital reduction or that the company would no longer be able to pay its debts in the 12 months following the date of capital reduction, they shall be jointly and severally liable to the company for all damages resulting from the capital reduction.
6. Where a shareholder has received a distribution out of capital carried out in violation of paragraphs 1 to 3 or where the shareholder knew or, in view of the circumstances, should have known at the time of the distribution that, following the distribution, the total amount of assets of the company would not remain greater than the total amount of liabilities or that the company would no longer be able to pay its debts in the 12 months following the date of distribution, the shareholder shall be required to return the distribution to the company to the extent that commitments entered into with creditors so require.

CHAPTER VIII – EU EMPLOYEE STOCK OPTION PLAN

Article 78

EU-ESO

1. The company may establish an EU employee stock option plan (EU-ESO) under which it issues warrants to eligible persons.
2. Eligibility for warrants issued under the EU-ESO shall be restricted to members of the board and employees of the company and its subsidiaries. Warrants under the EU-ESO shall not be issued to persons who, directly or indirectly, hold shares in the company corresponding to more than 25 per cent of the voting rights or rights in the proceeds of the company or have held such shares in the 24 months preceding the issuance.

3. The general meeting shall decide on the establishment of the EU-ESO. The resolution shall at least set out:
 - (a) the group of eligible persons;
 - (b) the maximum number of warrants that may be issued under the EU-ESO and the shares to which the holder of a warrant shall be entitled upon exercise of the warrant;
 - (c) a mandatory waiting period before which the warrants issued under the EU-ESO shall not be exercised, which shall be at least 24 months from the issuance of a warrant.
4. Warrants issued under the EU-ESO shall be non-transferable and issued for no consideration.
5. The consideration for new shares issued upon exercise of warrants under the EU-ESO shall be paid in cash and shall be fully paid up on issue of the shares.
6. The board of directors shall be authorised to issue warrants under the EU-ESO and to issue new shares to satisfy claims arising from the warrants. The board of directors may also satisfy claims arising from warrants issued under the EU-ESO by transferring own shares held in treasury.
7. Existing shareholders shall have no pre-emptive rights on warrants issued under the EU-ESO and on new shares issued to satisfy claims arising from the warrants.

Article 79

Taxation of warrants under the EU-ESO

1. The provisions of this Article shall apply to warrants issued by the EU Inc. under the EU-ESO as defined in Article 78.
2. The income derived from the warrant shall be deemed not to have accrued at the time of grant of the warrant, at vesting, nor when the holder of the warrant exercises his/her right for the acquisition of shares. It shall be deemed to arise and thus be subject to taxation only at the time when the shares obtained by exercising the warrant are disposed of.
3. The income described in paragraph 2 shall be equal to the difference between the fair market value of the shares at the date of disposal and their acquisition price. It shall be subject to taxation in accordance with national law.
4. Member States shall ensure that the warrants issued under EU-ESO and the resulting underlying shares are subject to a tax treatment that is not less favourable than that applicable to other employee stock options or similar instruments under their national law, provided all legal requirements are met.

CHAPTER IX – CLOSURE OF SOLVENT EU INC. COMPANIES

Article 80

Dissolution

1. Where an EU Inc. company is dissolved in view of a solvent liquidation, it shall file the information about dissolution fully online to the business register in the Member State of registration of the EU Inc. company in accordance with Article 27.
2. Upon receipt of this information, the business register referred to in paragraph 1 shall immediately update the EU Inc. company's status to reflect that it is undergoing liquidation and make this information available in accordance with Article 25.

Article 81

Nullity

1. The nullity of an EU Inc. company resulting in its liquidation shall be ordered only by a decision of a court of law on the following grounds:
 - (a) that the EU Inc. company has no valid articles of association in accordance with Articles 7 and 8, including that the articles of association do not state the name or the object of the company, or the subscription for the first shares;
 - (b) that the activities of the EU Inc. company are unlawful or contrary to public policy;
 - (c) the lack of legal capacity of all the founder members at the time of the company's formation.

Apart from the grounds of nullity referred to in this paragraph, an EU Inc. shall not be subject to any cause of non-existence, absolute nullity, relative nullity, or declaration of nullity.

2. A decision of nullity pronounced by a court of law shall be relied on as against third parties once it is made publicly available by the business register in accordance with Article 25. Third parties may challenge the decision within six months of public notice of the court's decision.
3. Nullity shall not of itself affect the validity of any commitments entered into by or with the EU Inc. company, which shall remain enforceable notwithstanding the liquidation.
4. Relations between the shareholders of the EU Inc. company declared null shall be governed by the law of the Member State of registration.
5. Shareholders of the EU Inc. company declared null shall remain obliged to provide the consideration contributed to capital to the extent that commitments entered into with creditors so require.

Article 82

Once-only submission of data and digital communication during liquidation

1. The filing to the business register shall be completed fully online in accordance with Article 27.
2. The documents and information related to liquidation shall be made available by the business register in accordance with Article 25.
3. Following the filing of documents and information related to the solvent liquidation of an EU Inc. company, including the information and documents needed in accordance with Article 25, to the business register where the company is registered,

that business register shall, without delay, inform the relevant national authorities of that Member State digitally about the change of the status of the EU Inc. company .

4. An EU Inc. company shall not be required to provide the information referred to in paragraph 1 to another authority of the Member State of registration in the context of its liquidation. The business register shall exchange this information digitally, without delay, with those relevant national authorities .
5. Upon the filing referred to in Article 80, its creditors shall be entitled to submit their claims to the company or the liquidator fully online. The submission of such claims shall not be subject to national requirements for physical form or notarial authentication.

Article 83

Fast-track liquidation

1. A solvent EU Inc. company shall benefit from a fast-track liquidation procedure provided that, at the date of the resolution or event triggering its dissolution referred to in Article 80, the following conditions are met:
 - (a) the EU Inc. has ceased its economic activity;
 - (b) the EU Inc. has no assets or all such assets have given rise to distributions to the shareholders in accordance with Article 72 prior to or simultaneously with the filing of the notification of dissolution;
 - (c) the EU Inc. has no liabilities;
 - (d) the EU Inc. is not subject to any pending administrative or judicial proceedings.
2. In case EU Inc. has liabilities, the condition under point (c) of paragraph 1 is considered to be met when the EU Inc. provides evidence of the consent of all known creditors for launching the fast-track procedure.
3. Directors shall be personally, and where applicable, jointly and severally liable to creditors for any damage resulting from a false or fraudulent declaration of consent under this Article.
4. In the case of a court-ordered dissolution, the court may authorise the fast-track liquidation procedure if it is satisfied that the conditions in paragraph 1 are met, unless the grounds for dissolution involve unlawful activity or public policy concerns.
5. The books and records of the EU Inc. shall be kept for a period of six years by the person appointed to that effect by the general meeting or by the court.

Article 84

Fast-track liquidation procedure

1. An EU Inc. may initiate the fast-track liquidation procedure by filing the notification of dissolution referred to in Article 80 simultaneously with an application for removal from the business register in which it is registered.

The application shall specify the name of the director or directors representing the company for the purpose of the fast-track procedure.

2. The filing shall be accompanied by the following:
 - (a) a declaration by all directors of the EU Inc., authenticated using qualified electronic signatures in accordance with Regulation (EU) No 910/2014, stating that the conditions set out in Article 83 (1) are met;
 - (b) the financial statement of liquidation;
 - (c) the evidence of consent of creditors in case liabilities exist;
 - (d) the declaration by the appointed person referred to in Article 83 (5), authenticated using qualified electronic signatures in accordance with Regulation (EU) No 910/2014, who undertakes to keep the books and records for a period of six years following the removal of the company from the business register.
3. The filing shall be completed fully online in accordance with Article 27 (5).
4. The documents and information referred to in paragraph 2 shall be made available in accordance with Article 25.

Article 85

Opposition of creditors

1. Creditors of the EU Inc. company undergoing the fast-track liquidation procedure may oppose it and require the opening of the ordinary liquidation procedure within 30 days following the disclosure of documents and information referred to in Article 84 (4).

Creditors who had initially consented to the fast-track procedure may also oppose it provided they set out strong grounds to justify their change of position.
2. Creditors shall submit their objection to the business register where the EU Inc. company is registered, stating the reason of their claim against the EU Inc. company. Member States shall ensure that this submission may be carried out fully online.
3. In case the claims are well founded, the business register shall refuse the opening of the fast-track procedure and inform the EU Inc. company of the reasons for its decision, including the information about the opposing creditors and reasons of their claims.
4. The business register may also take into consideration the objections of creditors which have been submitted after the deadline referred to in paragraph 1 but before the EU Inc. company is removed from the register.
5. The removal of the EU Inc. company from the business register shall not affect the rights of creditors whose claims were still under consideration or were not submitted during the fast-track procedure. Such creditors may:
 - (a) exercise their rights against the board of directors, who shall be personally, and where applicable, jointly and severally liable for any unsatisfied liabilities; and
 - (b) access the books and records of the company through the appointed person referred to in Article 84(2) point (d).

Article 86

Deadlines for the closure of the procedure

1. Where tax clearance is required by national law, the tax authority in the Member State of registration of the EU Inc. shall provide that clearance to the business register within 30 days following the disclosure of documents and information referred to in Article 84 (4). The tax authority may notify its opposition to the fast-track procedure within the same period.
2. Where it is necessary for the tax authority to take into account additional information or perform additional activities before completing its tasks under paragraph 1, it shall notify the business register of the need for a prolongation of the deadline referred to in paragraph 1, which may be extended by a maximum of another 30 days.
3. If the tax authority does not notify its position to the business register before the end of the deadline referred to in paragraph 1 or in case of prolongation, referred to in paragraph 2, it shall be deemed that a tax clearance has been granted or that the tax authority has no objections to the fast-track procedure.

Article 87

Removal from the business register

1. Upon the expiry of the deadlines referred to in Articles 85 and 86, the business register shall update the EU Inc. company's status, in accordance with Article 25(3)point b) and strike off or remove the registration of the EU Inc. company provided that:
 - (a) no objections by creditors have been submitted pursuant to Article 85; and
 - (b) a tax clearance or no objections to the fast-track procedure have been received from the national tax authority pursuant to Article 86.
2. The striking off or removal of the EU Inc. company from the business register shall result in the loss of its legal personality.
3. The change of the status and the striking off or removal of the EU Inc. company from the business register shall be made publicly available in accordance with Article 25.

CHAPTER X – INSOLVENCY PROCEEDINGS

WINDING-UP OF INSOLVENT EU INC. COMPANIES THAT ARE INNOVATIVE STARTUPS

Article 88

Scope of application of the simplified winding-up of EU Inc. innovative startups

1. This Chapter applies to EU Inc. companies which are innovative startups.
2. For the purposes of this Chapter, innovative startup means an EU Inc. company that fulfils the criteria set out in [PO: reference to Proposal for a Commission Recommendation on the definition of innovative enterprises, startups and high-growth scaleups, C (2026) 1800].

Article 89

Rules on winding-up of innovative startups

1. Insolvent EU Inc. innovative startups may request the opening of simplified winding-up proceedings in accordance with this Chapter.
2. An EU Inc. innovative startup shall be deemed insolvent for the purposes of simplified winding-up proceedings when it is generally unable to pay its debts as they mature. Member States shall set out clear, simple and easily ascertainable conditions under which an EU Inc. innovative startup is deemed to be generally unable to pay its debts as they mature.

Article 90

Insolvency practitioner

1. An insolvency practitioner within the meaning of Article 2, point (5), of Regulation (EU) 2015/848 of the European Parliament and of the Council⁴⁹ shall be appointed when simplified winding-up proceedings are opened.
2. By way of derogation from paragraph 1, the debtor, a creditor or a group of creditors may request that an insolvency practitioner is not appointed provided that the EU Inc. innovative startup demonstrates that it has an up-to-date current balance sheet and that it has submitted its most recent required annual statement to the relevant national authorities.

Article 91

Means of communication

In simplified winding-up proceedings, all communications between the court or the competent authority, the insolvency practitioner and the parties to such proceedings are carried out by digital means.

Article 92

Request for the opening of simplified winding-up proceedings

1. An insolvent EU Inc. innovative startup or any creditor of the insolvent EU Inc. innovative startup can submit a request for the opening of simplified winding-up proceedings to a court or a competent authority.
2. The request for the opening of simplified winding-up proceedings shall be submitted using a standard form. The representation by a lawyer or another legal professional shall not be compulsory.
3. The standard form referred to in paragraph 2 shall contain at least the following information:
 - (a) where an EU Inc. innovative startup is a legal person, the debtor's name, registration number, registered office or, if different, postal address;

⁴⁹ Regulation (EU) 2015/848 of the European Parliament and of the Council of 20 May 2015 on insolvency proceedings (recast) (OJ L 141, 5.6.2015, p. 19–72), ELI: <http://data.europa.eu/eli/reg/2015/848/2025-11-06>.

- (b) if an EU Inc. innovative startup is an entrepreneur, the debtor's name, registration number, if any, and postal address or, where the address is protected, the debtor's place and date of birth;
 - (c) a list of the assets of the EU Inc. innovative startup;
 - (d) name, address or other contact details of creditors of the EU Inc. innovative startup, as known at the time of the submission of the request,
 - (e) the list of the claims against the EU Inc. innovative startup and, for each claim, its amount specifying the principal and, where applicable, interest and the date on which it arose and the date on which it became due, if different;
 - (f) if security in rem or a reservation of title is alleged in respect of a certain claim and, if so, what assets are covered by the security interest.
4. The Commission shall establish the standard form referred to in paragraph 3 by means of implementing acts by [*PO: the last day of the 24th month after the date of entry into force of this Regulation*]. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 107(3).

Article 93

Decision on the request for the opening of simplified winding-up proceedings

The court or the competent authority shall, without delay, take a decision on the request for the opening of simplified winding-up proceedings. as well as on the request, that an insolvency practitioner is not appointed as referred to in Article 90(2).

Article 94

Stay of individual enforcement actions

Debtors shall benefit from a stay of individual enforcement actions by operation of law or upon the decision of the court or the competent authority conducting those proceedings.

Article 95

Lodgement and admission of claims

1. When simplified insolvency proceedings are opened, the insolvency practitioner, or in its absence, the debtor, shall prepare a list of creditors and claims.
2. The insolvency practitioner, or in its absence, the court or the competent authority shall inform all known creditors, by individual notices, of the list referred to in paragraph 1, indicating the time period for raising any objection or concern. The claims against the debtor indicated in the list shall be considered as lodged without any further action from the creditors concerned.
3. Any creditor may lodge claims not contained in the list referred to in paragraph 1 or raise objections or concerns on claims included in the list, within a period set in national law, which shall not exceed 30 days counting from the receipt of the individual notice referred to in the paragraph 2 or from the publication of the opening of simplified winding-up proceedings in the insolvency register referred to in Article

24 of Regulation (EU) 2015/848 of the European Parliament and of the Council, whichever is the latest.

4. In the absence of any objection or concern by a creditor within the time period referred to in paragraph 2, a claim included in the list referred to in paragraph 1 is deemed to be undisputed and shall be definitively admitted as stated therein.
5. The disputed claims shall be dealt with promptly by the court or the competent authority. The court or competent authority may decide to continue the simplified winding-up proceedings with respect to undisputed claims.

Article 96

Decision on the procedure to be used

1. In simplified winding-up proceedings, once the insolvency estate has been established, the insolvency practitioner, or in its absence the debtor, shall proceed with the realisation of the assets and the distribution of the proceeds.
2. However, the court or the competent authority may take a decision on the closure of the simplified winding-up proceedings without any realisation of the assets, where any of the following conditions is fulfilled:
 - (a) there are no assets in the insolvency estate;
 - (b) the assets of the insolvency estate are of such a low value that it would not justify the costs or administrative burden involved by their sale and the distribution of the proceeds;
 - (c) the apparent value of encumbered assets is lower than the amount owed to the secured creditors and the court or the competent authority considers it justified to allow those secured creditors to take over the assets.
3. Where the insolvency practitioner proceeds with the realisation of the debtor's assets as referred to in paragraph 1, the insolvency practitioner shall also specify the means of realisation of the assets. For the sale of an asset of the debtor, the insolvency practitioner shall use the electronic auction system referred to in Article 97, unless this is not appropriate in view of the nature of the asset or the circumstances of the proceedings.

Article 97

Electronic auction systems for the sale of the assets of the debtor

1. Each Member State shall ensure, by [*PO: the last day of the 24th month after the date of entry into force of this Regulation*] that one or several electronic auction platforms are established and maintained in its territory to be used for the purpose of the sale of the assets of the insolvency estate of the EU Inc. innovative startup in simplified winding-up proceedings.
2. Member States may extend the use of the electronic auction systems, as referred to in paragraph 1, to the sale of the debtor's business or assets that are subject to other types of insolvency proceedings opened in their territory.
3. Member States shall ensure that the electronic auction platforms are accessible by all natural and legal persons with domicile or place of registration in their territory or in

the territory of another Member State. Access to the auction system may be subject to electronic identification of the user, in which case persons with domicile or place of registration in another Member State shall be able to use electronic identification means, in accordance with Regulation (EU) No 910/2014.

Article 98

Interconnection of the electronic auction systems

1. The Commission shall establish a system for the interconnection of the national electronic auction systems as referred to in Article 97 by means of implementing acts to be adopted by [*PO: the last day of the 36th month after the date of entry into force of this Regulation*]. The system shall be composed of national electronic auction systems interconnected via the European e-Justice Portal, which shall serve as a central electronic access point in the system. The system shall provide, in all the official languages of the Union, information on all auction processes announced in national electronic auction platforms, enable the search among these auction processes and provide hyperlinks leading to the pages of the national systems where offers may be directly submitted.
2. The Commission shall lay down, by means of implementing acts, technical specifications and procedures necessary to provide for the interconnection of Member States' national electronic auction systems, setting out:
 - (a) the technical specification or specifications defining the methods of communication and information exchange by digital means on the basis of the established interface specification for the system of interconnection of the electronic auction systems;
 - (b) the technical measures ensuring the minimum information technology security standards for communication and distribution of information within the system of interconnection of electronic auction systems;
 - (c) the minimum set of information that shall be made accessible through the central platform;
 - (d) the minimum criteria for the presentation of announced auction processes via the European e-Justice Portal;
 - (e) the minimum criteria for the search of announced auction processes via the European e-Justice Portal;
 - (f) minimum criteria for guiding the users to the platform of the national auction system of the Member State where they may submit their offers directly in the announced auction processes;
 - (g) the means and the technical conditions of availability of services provided by the system of interconnection;
 - (h) the use of the European unique identifier referred to in Article 16(1) of Directive (EU) 2017/1132,
 - (i) specification of which personal data can be accessed;
 - (j) data protection safeguards.
3. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 107.

Article 99

Costs of establishing and interconnecting electronic auction systems

1. Each Member State shall bear the costs of establishing and adjusting its national electronic auction systems, as referred to in Article 97, to make them interoperable with the European e-Justice Portal, as well as the costs of administering, operating and maintaining those systems. This shall be without prejudice to the possibility to apply for grants to support such activities under the Union's financial programmes.
2. The establishment, maintenance and future development of the system of interconnection of electronic auction systems as referred to in Article 51 shall be financed from the general budget of the Union.

Article 100

Responsibilities of the Commission in connection with the processing of personal data in the system of interconnection of electronic auction platforms

1. The Commission shall exercise the responsibilities of controller pursuant to Article 3(8) of Regulation (EU) 2018/1725 in accordance with its respective responsibilities defined in this Article.
2. The Commission shall define the necessary policies and apply the necessary technical solutions to fulfil its responsibilities within the scope of the function of controller.
3. The Commission shall implement the technical measures required to ensure the security of personal data while in transit, in particular the confidentiality and integrity of any transmission to and from the European e-Justice Portal.
4. With regard to the information from the interconnected national auction systems, no personal data relating to data subjects shall be stored in the European e-Justice Portal. All such data shall be stored in the national auction systems operated by the Member States or other bodies.

Article 101

Sale of the assets by electronic auction

1. The electronic auction of assets of the insolvency estate in simplified winding-up proceedings shall be announced in due time in advance on the electronic auction platform referred to in Article 97.
2. The insolvency practitioner informs through individual notices all known creditors on the object, time and date of the electronic auction, as well as on the requirements to participate therein.
3. Any interested person is allowed to participate in the electronic auction and bid. Member States may, however, set out the conditions under which the debtor's existing shareholders or managers are authorised to participate.

Article 102

Decision on the closure of the simplified winding-up proceedings

1. The court or the competent authority shall take a decision on the closure of the simplified winding-up proceedings within six months after the submission of the request for the opening of the simplified winding-up proceedings. The deadline may be extended once, by a maximum of six months in case additional time is needed for the sale of the debtor's business or assets, or for the distribution of proceeds. In the absence of such an extension or when the extended deadline expires, the procedure shall be automatically converted into an ordinary winding-up procedure.
2. Where the debtor is a legal person, the decision on the closure of the simplified winding-up proceedings shall trigger the relevant measures under national law leading to the dissolution of the legal personality of the EU Inc. innovative startup.

CHAPTER XI – PROHIBITED REQUIREMENTS

Article 103

List of prohibited requirements

1. Unless it is objectively justified and proportionate, Member States shall treat EU Inc. companies no less favourably than other limited liability companies formed in accordance with their national law in any aspect of their activities and operations.
2. A Member State shall not adopt or maintain any of the following with regard to EU Inc. companies whose registered office is in another Member State:
 - (a) without prejudice to the Union State aid rules, criteria that deny eligibility of those EU Inc. companies to public support in view of their place of headquarters in other Member States or that require those companies to dissolve and reestablish or to set up a subsidiary in order to become eligible;
 - (b) measures that impose an authorisation or other requirement for taking up or exercising an economic activity based on the location of their registered office;
 - (c) the requirement to have a local representative or a physical presence in that Member State in order to complete a procedure necessary to take up or exercise an economic activity or to obtain an authorisation;
 - (d) measures that deny the use of a payment account set up in another Member State for the purposes of completing a procedure necessary to take up or exercise an economic activity or obtaining an authorisation.
3. For the purpose of this Article, the following definitions shall apply:
 - (a) Authorisation means a formal or implied decision that is in law or in fact required from a competent authority in order to obtain access to an economic activity, exercise an economic activity or terminate it;
 - (b) Requirement means requirement as defined in Article 4 point 7) of Directive 2006/123/EC.

CHAPTER XII – FINAL PROVISIONS

Article 104

Data protection

The processing of any personal data carried out in the context of this Regulation shall be subject to Regulation (EU) 2016/679 and to Regulation (EU) 2018/1725.

Article 105

Accounting

The EU Inc. shall be subject to the requirements of the applicable accounting law of the Member State in which its registered office is situated. However, Article 26 shall apply as regards the filing and public availability of accounting documents of the EU Inc.

Article 106

Penalties

1. Member States shall provide for effective, proportionate and dissuasive penalties at least in the case of:
 - (a) a failure to file the documents and information as required by Articles 25 (1), 40 (2), 82, 84 (2), 92 (4);
 - (b) a failure to update the filed documents and information and file changes within the periods laid down in Article 27;
 - (c) a failure to file and update the required information in the digital register of shares in accordance with Articles 54, 66 (2) and 67 (6);
 - (d) a false or misleading declaration as required by Articles 22 (1) and 84 (2) point (a).
2. Member States shall take all the measures necessary to ensure that the penalties referred to in the first paragraph are enforced.

Article 107

Committees

1. The Commission shall be assisted by the Committee on Interconnection of Central, Commercial and Companies' Registers ('the BRIS committee'). That committee shall be a committee within the meaning of Regulation (EU) No 182/2011.⁵⁰
2. For Chapter X, the Commission shall be assisted by the committee ('the insolvency committee') established by Article 30 of Directive (EU) 2019/1023 of the European

⁵⁰ Regulation (EU) No 182/2011 of the European Parliament and of the Council of 16 February 2011 laying down the rules and general principles concerning mechanisms for control by Member States of the Commission's exercise of implementing powers (OJ L 55, 28.2.2011, pp. 13–18), ELI: <http://data.europa.eu/eli/reg/2011/182/oj>

Parliament and of the Council⁵¹. That committee shall be a committee within the meaning of Regulation (EU) No 182/2011⁵².

3. Where reference is made to this paragraph, Article 5 of Regulation (EU) No 182/2011 shall apply.

Article 108

Reporting and review

1. The Commission shall, by [*PO: the date five years after the date of application of this Regulation*], carry out an evaluation of this Regulation and present a report on the main findings to the European Parliament, the Council and the European Economic and Social Committee. Member States shall provide the Commission with the information necessary for the preparation of the report.

The report of the Commission shall in particular evaluate the take up of the EU Inc. new legal form, how the EU Inc. companies were formed and how many were created through the EU central interface and with harmonised templates.

2. Every five years from [*PO: the date five years after the date of application of this Regulation*], the Commission shall review the amount referred to in Article 16(2) in line with the harmonised index of consumer prices (HICP) established pursuant to Regulation (EU) 2016/792 of the European Parliament and of the Council.

Article 109

Entry into force and date of application

This Regulation shall enter into force on the twentieth day following that of its publication in the Official Journal of the European Union.

It shall apply from [*PO: the last day of the 12th month after the date of entry into force of this Regulation*]. This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

For the European Parliament
The President

For the Council
The President

⁵¹ Directive (EU) 2019/1023 of the European Parliament and of the Council of 20 June 2019 on preventive restructuring frameworks, on discharge of debt and disqualifications, and on measures to increase the efficiency of procedures concerning restructuring, insolvency and discharge of debt, and amending Directive (EU) 2017/1132 (Directive on restructuring and insolvency) (OJ L 172, 26.6.2019, pp. 18), ELI: <http://data.europa.eu/eli/dir/2019/1023/oj>

⁵² Regulation (EU) No 182/2011 of the European Parliament and of the Council of 16 February 2011 laying down the rules and general principles concerning mechanisms for control by Member States of the Commission's exercise of implementing powers (OJ L 55, 28.2.2011, pp. 13–18), ELI: <http://data.europa.eu/eli/reg/2011/182/oj>

LEGISLATIVE FINANCIAL AND DIGITAL STATEMENT

[TO BE ADDED]

LEGISLATIVE FINANCIAL AND DIGITAL STATEMENT

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1. FRAMEWORK OF THE PROPOSAL/INITIATIVE

1.1. Title of the proposal/initiative

Proposal for a Regulation on the 28th Regime Corporate Legal Framework - 'EU Inc.'

1.2. Policy area(s) concerned

Company Law, Single Market

1.3. Objective(s)

1.3.1. General objective(s)

General objective No 1:

Contribute to strengthening the competitiveness of EU companies and the EU economy and to better functioning of the single market

General objective No 2:

Provide better conditions for starting a business and better opportunities for investment, and for growth and scaling up for companies, in particular startups and scaleups, in the EU

1.3.2. Specific objective(s)

Specific objective No 1

Provide a common corporate legal framework for companies, in particular startups and scaleups, in the EU

Specific objective No 2

Provide simple and efficient corporate rules and procedures throughout the company lifecycle.

Specific objective No 3

Ensure that corporate rules provide an enabling framework to invest.

1.3.3. Expected result(s) and impact

Specify the effects which the proposal/initiative should have on the beneficiaries/groups targeted.

Expected results:

- Simplified and harmonised corporate rules across EU member states
- Reduced administrative burdens and compliance costs for companies, in particular startups and scaleups
- Increased investment in EU companies, particularly startups and scaleups
- Improved competitiveness of EU companies in the global market

Expected impact:

- Positive impact on EU economy and job creation
- Increased attractiveness of the EU as a location to set up and scale up companies
- Improved access to financing for EU companies
- Enhanced internal market functioning and competitiveness

1.3.4. *Indicators of performance*

Specify the indicators for monitoring progress and achievements.

Indicator for general objective No 1: Overall number of new EU Inc. companies per year (including created *ex nihilo* and through domestic conversions, cross-border conversions, divisions, mergers). Data source: Business Registers Interconnection System (BRIS).

Indicator for general objective No 2: Number of EU Inc. companies created *ex nihilo* per year, number of EU Inc. companies created through the EU central interface using the “fast-track” procedure; number of successful investment rounds of EU Inc. companies; share of EU Inc. companies using the EU-ESO scheme. . Data sources: Data from BRIS and from national authorities and targeted follow-up surveys or studies.

1.4. The proposal/initiative relates to:

- a new action
- a new action following a pilot project / preparatory action⁵³
- the extension of an existing action
- a merger or redirection of one or more actions towards another/a new action

1.5. Grounds for the proposal/initiative

1.5.1. Requirement(s) to be met in the short or long term including a detailed timeline for roll-out of the implementation of the initiative

A provisional implementation timeline can be illustrated as follows:

- 2026/27 Adoption of the Regulation
- 2027 Adoption of implementing Regulation(s)
- 2028 Date of application

1.5.2. Added value of EU involvement (it may result from different factors, e.g. coordination gains, legal certainty, greater effectiveness or complementarities). For the purposes of this section 'added value of EU involvement' is the value resulting from EU action, that is additional to the value that would have been otherwise created by Member States alone.

Reasons for action at EU level (ex-ante): There is a strong added value of action at EU level in the context of this proposal because it focuses on boosting competitiveness and providing the necessary legal certainty by establishing a common legal framework. Bilateral or multilateral cooperation between Member States would not be able to address the fragmentation of the single market and could, on the contrary, result in further fragmentation. Founders would continue to face challenges when setting up and running companies in the EU, startups and scaleups would still be unable to take full advantage of the scale of the single market, and some would move to third countries with more attractive conditions for growth.

⁵³ As referred to in Article 58(2), point (a) or (b) of the Financial Regulation.

Expected generated EU added value (ex-post): The proposed EU action is expected to generate significant added value by creating a harmonised and attractive business environment, facilitating the growth and scaling up of startups and scaleups, and increasing the competitiveness of the EU economy as a whole. This, in turn, is likely to lead to increased investment, job creation, and economic growth, ultimately benefiting citizens, businesses, and the EU economy.

1.5.3. *Lessons learned from similar experiences in the past*

This initiative takes into account lessons learned from the development of company law EU legislation so far, including:

- The Societas Europaea (SE) legal form, designed for large public limited liability companies, which can only be created by existing companies from different Member States or national companies with subsidiaries in other Member States and that requires a minimum subscribed capital of EUR 120 000, making it not appropriate to newly created startups.

- The Company Law Directive, which harmonises national rules and procedures, including online formation, disclosure requirements, digital procedures, and cross-border operations, but leaves the so-called incorporation requirements (i.e. requirements for setting up a company) largely defined by national law. In addition, fragmentation of rules across Member States still exists, in particular there are no harmonised rules related to simplified company forms in the EU.

1.5.4. *Compatibility with the multiannual financial framework and possible synergies with other appropriate instruments*

This initiative is fully compatible with the new multiannual financial framework and planned to be funded by the Single Market and Customs Programme. This proposal perfectly fits with the programme aims of boosting European Competitiveness, driving Digitalization and Reducing Red Tape, and ensuring Legal Certainty in a Tech-Driven Age. The draft proposal for a “Regulation establishing the Single Market and Customs Programme for the period 2028-2034” clearly states the compatibility of the 28th regime proposal with the single market programme: “*the upcoming 28th regime for companies will directly contribute to the Union competitiveness*”.

1.5.5. *Assessment of the different available financing options, including scope for redeployment*

The draft proposal for a “Regulation establishing the Single Market and Customs Programme for the period 2028-2034” lists company law in the policy areas concerned by the programme, attributing the budget line 05.03.01.02. and operational appropriation of around EUR 4 million per year in the period 2028-2034.

1.6. Duration of the proposal/initiative and of its financial impact

limited duration

- in effect from [DD/MM]YYYY to [DD/MM]YYYY
- financial impact from YYYY to YYYY for commitment appropriations and from YYYY to YYYY for payment appropriations.

unlimited duration

- Implementation with a start-up period from 2028 to 2031,
- followed by full-scale operation.

1.7. Method(s) of budget implementation planned

Direct management by the Commission

- by its departments, including by its staff in the Union delegations;
- by the executive agencies

Shared management with the Member States

Indirect management by entrusting budget implementation tasks to:

- third countries or the bodies they have designated
- international organisations and their agencies (to be specified)
- the European Investment Bank and the European Investment Fund
- bodies referred to in Articles 70 and 71 of the Financial Regulation
- public law bodies
- bodies governed by private law with a public service mission to the extent that they are provided with adequate financial guarantees
- bodies governed by the private law of a Member State that are entrusted with the implementation of a public-private partnership and that are provided with adequate financial guarantees
- bodies or persons entrusted with the implementation of specific actions in the common foreign and security policy pursuant to Title V of the Treaty on European Union, and identified in the relevant basic act
- bodies established in a Member State, governed by the private law of a Member State or Union law and eligible to be entrusted, in accordance with sector-specific rules, with the implementation of Union funds or budgetary guarantees, to the extent that such bodies are controlled by public law bodies or by bodies governed by private law with a public service mission, and are provided with adequate financial guarantees in the form of joint and several liability by the controlling bodies or equivalent financial guarantees and which may be, for each action, limited to the maximum amount of the Union support.

Comments

This proposal builds on the existing Business Registers Interconnection system. The budget allocations will be used to further develop the system and its underlying technology, and in particular for the for the creation of an EU central interface for the formation of and filing by EU Inc. companies.

2. MANAGEMENT MEASURES

2.1. Monitoring and reporting rules

The Commission will carry out an evaluation of this Regulation and present a report on the main findings to the European Parliament, the Council and the European Economic and Social Committee within five years after the date of application of the Regulation. The report of the Commission in particular will evaluate the take up of the EU Inc. new legal form, how the EU Inc. companies were formed and how many were created through the EU central interface and with harmonised templates.

This initiative builds on, and further develops, the already existing Business Registers Interconnection System (BRIS) without altering the periodic monitoring and reporting of the BRIS system, set on a weekly, quarterly and yearly basis.

2.2. Management and control system(s)

2.2.1. *Justification of the budget implementation method(s), the funding implementation mechanism(s), the payment modalities and the control strategy proposed*

This initiative builds on, and further develops, the already existing Business Registers Interconnection System (BRIS) developed by the Commission (DG DIGIT and DG JUST). This proposal for a new Regulation does not alter the management mode, funding implementation mechanism, payment modalities or control strategy already in place for the system and employed by the Commission. The governance structure for BRIS aims to facilitate effective collaboration between the Commission and the Member States. The BRIS steering Committee is chaired by the GD JUST, the owner of the system, and costs of members from services involved in the management, operation and development of BRIS including DIGIT. The Company Law Expert Group – Business Registers act as forum of collaboration between the parties involved in the operation and development of BRIS at EU and national level.

2.2.2. *Information concerning the risks identified and the internal control system(s) set up to mitigate them*

The main identified risks relate to:

(a) Time and cost overruns due to unforeseen IT implementation issues with regard to the further IT development needed by the Commission to enlarge the scope of the existing BRIS IT system for the needs of this proposal. This risk is mitigated by the fact that BRIS system already exists, is mature and is based on building blocks that are also already existing and mature – namely, the eDelivery building block.

This risk is already addressed by existing standard internal control systems used in BRIS, in particular project management controls that are applicable to all systems developed by the Commission, (i.e. governance oversight, project and risk management) which include PM2, the project management methodology developed by the Commission.

(b) Implementation and rollout delays on the side of Member States' respective authorities. This risk is already mitigated by established communication and reporting tools, cooperation agreements, regular follow-up meetings and by the proactive technical support to the national authorities in charge of implementation.

- 2.2.3. *Estimation and justification of the cost-effectiveness of the controls (ratio between the control costs and the value of the related funds managed), and assessment of the expected levels of risk of error (at payment & at closure)*

This initiative does not affect the cost-effectiveness of the existing controls.

2.3. Measures to prevent fraud and irregularities

Specify existing or envisaged prevention and protection measures, e.g. from the anti-fraud strategy.

BRIS is directly managed by the Commission, with no external development or management. The European Central Platform (ECP) component of the system is developed internally by DG DIGIT, while the European Access Point (EAP) component is developed internally by DG JUST.

3. ESTIMATED FINANCIAL IMPACT OF THE PROPOSAL/INITIATIVE

3.1. Heading(s) of the multiannual financial framework and expenditure budget line(s) affected

- Existing budget lines

In order of multiannual financial framework headings and budget lines.

Heading of multiannual financial framework	Budget line	Type of expenditure	Contribution			
	Number	Diff./Non-diff. ⁵⁴	from EFTA countries ⁵⁵	from candidate countries and potential candidates ⁵⁶	From other third countries	other assigned revenue
	05.03.01.02.	Diff.	YES	NO	NO	NO
	[XX.YY.YY.YY]	Diff./Non-diff.	YES/NO	YES/NO	YES/NO	YES/NO
	[XX.YY.YY.YY]	Diff./Non-diff.	YES/NO	YES/NO	YES/NO	YES/NO

- New budget lines requested

In order of multiannual financial framework headings and budget lines.

Heading of multiannual financial framework	Budget line	Type of expenditure	Contribution			
	Number	Diff./Non-diff.	from EFTA countries	from candidate countries and potential candidates	from other third countries	other assigned revenue
	[XX.YY.YY.YY]	Diff./Non-diff.	YES/NO	YES/NO	YES/NO	YES/NO

⁵⁴ Diff. = Differentiated appropriations / Non-diff. = Non-differentiated appropriations.

⁵⁵ EFTA: European Free Trade Association.

⁵⁶ Candidate countries and, where applicable, potential candidates from the Western Balkans.

3.2. Estimated financial impact of the proposal on appropriations

3.2.1. Summary of estimated impact on operational appropriations

- The proposal/initiative does not require the use of operational appropriations
- The proposal/initiative requires the use of operational appropriations, as explained below

3.2.1.1. Appropriations from voted budget

EUR million (to three decimal places)

Heading of multiannual financial framework	Number
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Assumes development of EU register and phasing out of EU central interface from 2030.

DG JUST			Year	Year	Year	Year	Year	Year	Year	TOTAL MFF 2028-2034
			2028	2029	2030	2031	2032	2033	2034	
Operational appropriations										
Budget line 05.03.01.02.	Commitments	(1a)	4.000	4.000	10.000	9.000	8.000	8.000	8.000	51.000
	Payments	(2a)	4.000	4.000	10.000	9.000	8.000	8.000	8.000	51.000
Appropriations of an administrative nature financed from the envelope of specific programmes										
Budget line		(3)								0.000
TOTAL appropriations for DG JUST	Commitments	=1a+1b+3	4.000	4.000	10.000	9.000	8.000	8.000	8.000	51.000
	Payments	=2a+2b+3	4.000	4.000	10.000	9.000	8.000	8.000	8.000	51.000
			Year	Year	Year	Year	Year	Year	Year	TOTAL MFF 2028-2034
			2028	2029	2030	2031	2032	2033	2034	
TOTAL operational appropriations	Commitments	(4)	4.000	4.000	10.000	9.000	8.000	8.000	8.000	51.000
	Payments	(5)	4.000	4.000	10.000	9.000	8.000	8.000	8.000	51.000
TOTAL appropriations of an administrative nature financed from the envelope for specific programmes		(6)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000

TOTAL appropriations under HEADING 05.03.01.02. of the multiannual financial framework	Commitments	=4+6	4.000	4.000	10.000	9.000	8.000	8.000	8.000	51.000
	Payments	=5+6	4.000	4.000	10.000	9.000	8.000	8.000	8.000	51.000

Heading of multiannual financial framework	4	‘Administrative expenditure’
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DG JUST		Year 2028	Year 2029	Year 2030	Year 2031	Year 2032	Year 2033	Year 2034	TOTAL MFF 2028-2034
• Human resources		0.525	1.050	1.575	1.575	1.575	1.575	1.050	8.925
• Other administrative expenditure		0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
TOTAL DG JUST	Appropriations	0.525	1.050	1.575	1.575	1.575	1.575	1.050	8.925

TOTAL appropriations under HEADING 4 of the multiannual financial framework	(Total commitments = Total payments)	0.525	1.050	1.575	1.575	1.575	1.575	1.050	8.925
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EUR million (to three decimal places)

	Year 2028	Year 2029	Year 2030	Year 2031	Year 2032	Year 2033	Year 2034	TOTAL MFF 2028-2034
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TOTAL appropriations under HEADINGS 1 to 4	Commitments	4.525	5.050	11.575	10.575	9.575	9.575	9.050	59.925
of the multiannual financial framework	Payments	4.525	5.050	11.575	10.575	9.575	9.575	9.050	59.925

The estimated impact on expenditure and staffing for 2028 and beyond is added for illustrative purposes only and does not pre-judge the next Multiannual Financial Framework. The source of financing and scope of Union financial commitment in the post-2027 period remain subject to the outcome of interinstitutional negotiations on the MFF 2028-2034 and thereafter shall be determined through the annual budgetary procedure and the steering mechanism. All appropriations and staffing allocations as of 2028 are indicative.

3.2.2. *Estimated output funded from operational appropriations (not to be completed for decentralised agencies)*

Commitment appropriations in EUR million (to three decimal places). *Assumes development of EU register and phasing out of EU central interface from 2030.*

Indicate objectives and outputs ↓			Year 2028		Year 2029		Year 2030		Year 2031		Year 2032		Year 2033		Year 2034		TOTAL MFF 2028-2034	
	Type	Average cost	Nº	Cost	Nº	Cost	Nº	Cost	Nº	Cost	Nº	Cost	Nº	Cost	Nº	Cost	Total No	Total cost
OUTPUTS																		
SPECIFIC OBJECTIVE No 1 ⁵⁷																		
- Output																		
Subtotal for specific objective No 1																		
SPECIFIC OBJECTIVE No 2 Provide simple and efficient corporate rules and procedures throughout the company lifecycle																		
EU Central interface evolving into a digital register			1	4.000	1	4.000	1	10.000	1	9.000	1	8.000	1	8.000	1	8.000	7	51.000
Subtotal for specific objective No 2			1	4.000	1	4.000	1	10.000	1	9.000	1	8.000	1	8.000	1	8.000	7	51.000
TOTALS			1	4.000	1	4.000	1	10.000	1	9.000	1	8.000	1	8.000	1	8.000	7	51.000

⁵⁷ As described in Section 1.3.2. ‘Specific objective(s)’

3.2.3. Summary of estimated impact on administrative appropriations

- The proposal/initiative does not require the use of appropriations of an administrative nature
- The proposal/initiative requires the use of appropriations of an administrative nature, as explained below

3.2.3.1. Appropriations from voted budget

VOTED APPROPRIATIONS			Year	Year	Year	Year	Year	Year	TOTAL 2028-2034	
			2028	2023	2030	2031	2032	2033		2034
HEADING 4										
Human resources			0.564	0.564	1.692	1.880	1.880	1.504	1.504	9.588
Other administrative expenditure			0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Subtotal HEADING 4			0.564	0.564	1.692	1.880	1.880	1.504	1.504	9.588
Outside HEADING 4										
Human resources						0.000	0.000	0.000	0.000	0.000
Other expenditure of an administrative nature						0.000	0.000	0.000	0.000	0.000
Subtotal outside HEADING 4						0.000	0.000	0.000	0.000	0.000
TOTAL			0.564	0.564	1.692	1.880	1.880	1.504	1.504	9.588

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The estimated impact on expenditure and staffing for 2028 and beyond is added for illustrative purposes only and does not pre-judge the next Multiannual Financial Framework. The source of financing and scope of Union financial commitment in the post-2027 period remain subject to the outcome of interinstitutional negotiations on the MFF 2028-2034 and thereafter shall be determined through the annual budgetary procedure and the steering mechanism. All appropriations and staffing allocations as of 2028 are indicative.

3.2.4. Estimated requirements of human resources

- The proposal/initiative does not require the use of human resources
- The proposal/initiative requires the use of human resources, as explained below

3.2.4.1. Financed from voted budget

Estimate to be expressed in full-time equivalent units (FTEs)

VOTED APPROPRIATIONS			Year 2028	Year 2029	Year 2030	Year 2031	Year 2032	Year 2033	Year 2034
• Establishment plan posts (officials and temporary staff)									
20 01 02 01 (Headquarters and Commission's Representation Offices)			4	4	5	5	5	5	5
20 01 02 03 (EU Delegations)			0	0	0	0	0	0	0
01 01 01 01 (Indirect research)			0	0	0	0	0	0	0
01 01 01 11 (Direct research)			0	0	0	0	0	0	0
Other budget lines (specify)			0	0	0	0	0	0	0
• External staff (inFTEs)									
20 02 01 (AC, END from the 'global envelope')			0	0	0	0	0	0	0
20 02 03 (AC, AL, END and JPD in the EU Delegations)			0	0	0	0	0	0	0
Admin. Support line [XX.01.YY.YY]	- at Headquarters		0	0	0	0	0	0	0
	- in EU Delegations		0	0	0	0	0	0	0
01 01 01 02 (AC, END - Indirect research)			0	0	0	0	0	0	0
01 01 01 12 (AC, END - Direct research)			0	0	0	0	0	0	0
Other budget lines (specify) - Heading 7			0	0	0	0	0	0	0
Other budget lines (specify) - Outside Heading 7			0	0	0	0	0	0	0
TOTAL			4	4	5	5	5	5	5

3.2.4.2. *Financed from external assigned revenues*

EXTERNAL ASSIGNED REVENUES			Year 2028	Year 2029	Year 2030	Year 2031	Year 2032	Year 2033	Year 2034
• Establishment plan posts (officials and temporary staff)									
20 01 02 01 (Headquarters and Commission's Representation Offices)			0	0	0	0	0	0	0
20 01 02 03 (EU Delegations)			0	0	0	0	0	0	0
01 01 01 01 (Indirect research)			0	0	0	0	0	0	0
01 01 01 11 (Direct research)			0	0	0	0	0	0	0

Other budget lines (specify)			0	0	0	0	0	0	0
			• External staff (in full time equivalent units)						
20 02 01 (AC, END from the 'global envelope')			0	0	0	0	0	0	0
20 02 03 (AC, AL, END and JPD in the EU Delegations)			0	0	0	0	0	0	0
Admin. Support line [XX.01.YY.YY]	- at Headquarters		0	0	0	0	0	0	0
	- in EU Delegations		0	0	0	0	0	0	0
01 01 01 02 (AC, END - Indirect research)			0	0	0	0	0	0	0
01 01 01 12 (AC, END - Direct research)			0	0	0	0	0	0	0
Other budget lines (specify) - Heading 7			0	0	0	0	0	0	0
Other budget lines (specify) - Outside Heading 7			0	0	0	0	0	0	0
TOTAL			0	0	0	0	0	0	0

3.2.4.3. Total requirements of human resources

TOTAL VOTED APPROPRIATIONS + EXTERNAL ASSIGNED REVENUES	Year	Year	Year	Year	Year	Year	Year
	2028	2029	2030	2031	2032	2033	2034
• Establishment plan posts (officials and temporary staff)							
20 01 02 01 (Headquarters and Commission's Representation Offices)	4	4	5	5	5	5	5
20 01 02 03 (EU Delegations)	0	0	0	0	0	0	0
01 01 01 01 (Indirect research)	0	0	0	0	0	0	0
01 01 01 11 (Direct research)	0	0	0	0	0	0	0
Other budget lines (specify)	0	0	0	0	0	0	0

		• External staff (in full time equivalent units)									
20 02 01 (AC, END from the 'global envelope')	0	0	0	0	0	0	0	0	0	0	0
20 02 03 (AC, AL, END and JPD in the EU Delegations)	0	0	0	0	0	0	0	0	0	0	0
Admin. Support line [XX.01.YY.YY]	- at Headquarters					0	0	0	0	0	0
	- in EU Delegations					0	0	0	0	0	0
01 01 01 02 (AC, END - Indirect research)	0	0	0	0	0	0	0	0	0	0	0
01 01 01 12 (AC, END - Direct research)	0	0	0	0	0	0	0	0	0	0	0
Other budget lines (specify) - Heading 7	0	0	0	0	0	0	0	0	0	0	0
Other budget lines (specify) - Outside Heading 7	0	0	0	0	0	0	0	0	0	0	0
TOTAL	4	4	5	5	5	5	5	5	5	5	5

The estimated impact on expenditure and staffing for 2028 and beyond is added for illustrative purposes only and does not pre-judge the next Multiannual Financial Framework. The source of financing and scope of Union financial commitment in the post-2027 period remain subject to the outcome of interinstitutional negotiations on the MFF 2028-2034 and thereafter shall be determined through the annual budgetary procedure and the steering mechanism. All appropriations and staffing allocations as of 2028 are indicative.

The staff required to implement the proposal (in FTEs):

	To be covered by current staff available in the Commission services	Exceptional additional staff*		
		To be financed under Heading 7 or Research	To be financed from BA line	To be financed from fees
Establishment plan posts	0	5	N/A	

External staff (CA, SNEs, INT)				
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Description of tasks to be carried out by:

Officials and temporary staff	Policy management, Project management
External staff	

3.2.5. Overview of estimated impact on digital technology-related investments

Compulsory: the best estimate of the digital technology-related investments entailed by the proposal/initiative should be included in the table below.

Exceptionally, when required for the implementation of the proposal/initiative, the appropriations under Heading 4 should be presented in the designated line.

The appropriations under Headings 1-3 should be reflected as “Policy IT expenditure on operational programmes”. This expenditure refers to the operational budget to be used to re-use/ buy/ develop IT platforms/ tools directly linked to the implementation of the initiative and their associated investments (e.g. licences, studies, data storage etc). The information provided in this table should be consistent with details presented under Section 4 “Digital dimensions”.

TOTAL Digital and IT appropriations	Year 2028	Year 2029	Year 2030	Year 2031	Year 2032	Year 2033	Year 2034	TOTAL MFF 2028 - 2034
IT expenditure (corporate)	0.000	0.000	0.000	0.000				0.000
Subtotal HEADING 4	0.000	0.000	0.000	0.000				0.000
Policy IT expenditure on operational programmes	0.000	0.000	0.000	0.000				0.000

Subtotal outside HEADING 4	0.000	0.000	0.000	0.000				0.000
TOTAL	0.000	0.000	0.000	0.000				0.000

3.2.6. *Compatibility with the current multiannual financial framework*

The proposal/initiative:

- can be fully financed through redeployment within the relevant heading of the multiannual financial framework (MFF)
- requires use of the unallocated margin under the relevant heading of the MFF and/or use of the special instruments as defined in the MFF Regulation
- requires a revision of the MFF

3.2.7. *Third-party contributions*

The proposal/initiative:

- does not provide for co-financing by third parties
- provides for the co-financing by third parties estimated below:

Appropriations in EUR million (to three decimal places)

	Year 2024	Year 2025	Year 2026	Year 2027	Total
Specify the co-financing body					
TOTAL appropriations co-financed					

3.3. Estimated impact on revenue

- The proposal/initiative has no financial impact on revenue.
- The proposal/initiative has the following financial impact:
- on own resources
- on other revenue
- please indicate, if the revenue is assigned to expenditure lines

EUR million (to three decimal places)

Budget revenue line:	Appropriations available for the current financial year	Impact of the proposal/initiative ⁵⁸			
		Year 2024	Year 2025	Year 2026	Year 2027
Article					

For assigned revenue, specify the budget expenditure line(s) affected.

Other remarks (e.g. method/formula used for calculating the impact on revenue or any other information).

⁵⁸ As regards traditional own resources (customs duties, sugar levies), the amounts indicated must be net amounts, i.e. gross amounts after deduction of 20% for collection costs.

4. DIGITAL DIMENSIONS

4.1. Requirements of digital relevance

Please list the requirements of digital relevance in the table below:

Reference to the requirement	Requirement description	Actor(s) affected or concerned by the requirement	High-level Processes	Categories
Article 10 and several specific Articles providing detailed rules for each type of procedure	<p>Principle of digital-only procedures</p> <p>All procedures within the scope of the EU Inc. regulation must be carried out exclusively fully online</p>	EU Inc. companies, founders, directors, shareholders, potential investors, liquidators	Company formation, filing, branch registration, liquidation, meetings, share issuances, subscriptions and transfers as well as other procedures within the scope of this Regulation	<p>Process digitalisation</p> <p>Digital solutions</p> <p>Digital public service</p>
Article 11	<p>Online payment</p> <p>Payments for procedures can be made by means of widely available online payment services</p>	EU Inc. companies, banks and other payment providers, Member States	Payment processing	<p>Process digitalisation</p> <p>Digital solutions</p> <p>Digital public service</p>
Article 13	<p>Company application form</p> <p>A harmonized digital application form for formation of an EU Inc.</p>	Founders, prospective directors, Member States	Company formation	<p>Process digitalisation</p> <p>Digital solutions</p> <p>Digital public service</p>

Article 15	<p>EU central interface</p> <p>The EU central interface for the formation of and filing by EU Inc. companies, registration of cross-border branches, automatic cross-checks with existing names</p>	EU Inc. companies, founders, directors, Member States, European Commission, European Union Intellectual Property Office	Company registration, filing (submission), registration	<p>Process digitalisation</p> <p>Digital solutions</p> <p>Digital public service</p>
Reference: Articles 16, 17, 18, 19, 20, 23, 24, 25, 26, 27, 28, 67, 71, 75, 77, 80, 82, 84, 85, 87	<p>Digital registration, filing and public disclosure of information</p> <p>Registration of an EU Inc. companies, filing documents and information, making information publicly available by business registers and through BRIS, once-only submission of information</p>	EU Inc. companies, directors, shareholders, liquidators, third parties, Member States	Registration, filing, public disclosure, once-only submission/digital exchange of information between business registers and tax authorities, social security authorities and beneficial ownership registers	<p>Process digitalisation</p> <p>Digital solutions</p> <p>Digital public service</p>
Article 30	<p>Digital EU Company Certificate</p> <p>The multilingual digital EU Company Certificate, issued by a business</p>	EU Inc. companies, Member States administrative and judicial authorities	Certification of company information, proof that an EU Inc. company is legally registered in a Member State	<p>Process digitalisation</p> <p>Digital solutions</p> <p>Digital public service</p>

	<p>register, contains key information about the EU Inc. and can be used in administrative procedures before national authorities or Union institutions and bodies and in judicial proceedings in other Member States</p>			
Article 31	<p>Digital EU power of attorney</p> <p>The multilingual digital EU power of attorney is used to authorize representatives to act on behalf of the EU Inc. company</p>	<p>EU Inc. companies, Member States, and other businesses, legal professionals</p>	<p>Representation, authorization, and decision-making</p>	<p>Process digitalisation Digital solutions</p>
Article 35	<p>Business registers interconnection system (BRIS)</p> <p>Business registers are interconnected through BRIS, which provides a means for digital one-to-one exchange of information between the registers for a number of procedures related to EU</p>	<p>EU Inc. companies, Member States (business registers)</p>	<p>Company information exchange</p>	<p>Process digitalisation Digital solutions Digital public service</p>

	Inc. companies			
Articles 37, 38, 39, 40	<p>Digital cross-border branch registration and public disclosure of information</p> <p>Registration of cross-border branch, EU Inc. branch information to be made available digitally by business registers and BRIS, once-only submission of information</p>	EU Inc. companies, Member States	Registration of cross-border branch, public disclosure, once-only submission/digital exchange of information between business registers, tax authorities, social security authorities and beneficial ownership registers	<p>Process digitalisation</p> <p>Digital solutions</p> <p>Digital public service</p>
Articles 47, 48	<p>Online meetings, voting and written resolutions</p> <p>Meetings of shareholders and the board of directors are held online, including votes by electronic means; electronic written resolutions of shareholders outside meetings are possible</p>	EU Inc. companies, shareholders, directors	General meetings, meetings of the board of directors, shareholders' resolutions	<p>Process digitalisation</p> <p>Digital solutions</p>

Articles 54	<p>Digital register of shares, digital share certificates</p> <p>EU Inc. companies maintain a digital register of shares and deliver digital share certificates to shareholders</p>	EU Inc. companies, directors, shareholders	Share registration, recording of share transfers, providing share certificates	<p>Process digitalisation</p> <p>Digital solutions</p>
Article 59	<p>Digital transfer of shares</p> <p>Transfer of shares to be carried out digitally</p>	EU Inc. companies, shareholders, investors	Share transfer, ownership tracking	<p>Process digitalisation</p> <p>Digital solutions</p>
Article 67	<p>Share issuance and subscription</p> <p>Subscriptions for newly issued shares are concluded fully online</p>	EU Inc. companies, shareholders, investors	Issuance and subscription of shares	<p>Process digitalisation</p> <p>Digital solutions</p>
Article 91, 97, 98, 99	<p>Digital communication for simplified insolvency proceedings, interconnection of electronic auction systems</p> <p>All communication between the court or</p>	EU Inc. companies, Member States (courts, competent authorities), creditors	Insolvency proceedings, auction management	<p>Process digitalisation</p> <p>Digital solutions</p> <p>Digital public service</p>

	competent authority, the insolvency practitioner and parties to proceedings is carried out by digital means; establishment of national electronic auction systems and their interconnection to facilitate the sale of assets in insolvency proceedings			
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4.2. Data

High-level description of the data in scope and any related standards/specifications

Type of data	Reference to the requirement(s)	Standard and/or specification (if applicable)
Company data (Company application form, EU central interface, Digital registration, filing and public disclosure of information, Digital EU Company Certificate, Digital EU power of attorney, Interconnection of business registers (BRIS))	Articles 13, 15, 16, 17, 18, 19, 20, 23, 24, 25, 26, 27, 28, 30, 31, 35, 67, 71, 75, 77, 80, 82, 84, 85, 87	ISA2, BRIS technical specifications, EUID, eIDAS, eDelivery
Branch Data	Articles 35, 37, 38, 39, 40	ISA2, BRIS technical specifications,

(Digital cross-border branch registration and public disclosure of information)		EUID, eIDAS, eDelivery
Online meetings, voting and written resolutions	Articles 47, 48	eIDAS
Digital register of shares, digital share certificates, digital transfer of shares, share issuance and subscription	Articles 54, 59, 67	eIDAS
Digital communication for simplified insolvency proceedings, interconnection of electronic auction systems	Articles 91, 97, 98, 99	European e-Justice Portal

Alignment with the European Data Strategy

Explain how the requirement(s) are aligned with the European Data Strategy

- The proposal promotes the use of digital tools and procedures for company law procedures, which is in line with the European Data Strategy's objective of promoting digitalization and data-driven innovation.
- The proposal builds on the Business Register Interconnection System (BRIS) and EUID and extends their application to EU Inc. companies, facilitating the exchange of information and reducing administrative burdens. This is consistent with the European Data Strategy's goal of improving data sharing and interoperability.
- The proposal relies on eIDAS, to facilitate online procedures and ensure the authenticity of documents. This aligns with the European Data Strategy's focus on promoting secure and trustworthy digital identities.
- The proposal aims to ensure transparency and trust in EU Inc. companies by making company information publicly available through BRIS and ensuring that companies can use a harmonized EU Company Certificate and digital EU power of attorney. This is in line with the European Data Strategy's objective of promoting transparency and trust in data-driven ecosystems.

- The proposal aims to create a favorable business environment for startups and scaleups, which is consistent with the European Data Strategy's goal of promoting innovation and entrepreneurship through data-driven technologies.

Alignment with the once-only principle

Explain how the once-only principle has been considered and how the possibility to reuse existing data has been explored

The proposal implements and promotes the once-only principle. The ensures that companies need to file (submit) information only once and that existing information can be re-used. Notably, the proposal ensures that in the context of the registration, the information about the company is transferred from the business register to the authority in charge of issuing the TIN and the VAT identification number, to social security authority and to the beneficial ownership register without the EU Inc. company needing to submit it again (“once-only principle”), and that the EU Inc. company obtains the TIN and the VAT identification number from the relevant authority as part of the registration process. The same once-only principle applies when cross-border branches are registered. In addition, the proposal ensures that all relevant filings by the liquidator for closure outside of insolvency are transferred from business register to other authorities (“once-only principle”) without the company needing to resubmit those. The proposal also ensures that when EU Inc. subsidiaries or cross-border branches are set, the “parent” company information in BRIS can be re-used without the parent company needing to re-submit it.

The proposal introduces a general duty for public authorities to use /access (re-use) the publicly available information in BRIS without asking the company except in certain specific circumstances.

Explain how newly created data is findable, accessible, interoperable and reusable, and meets high-quality standards

The data is easily **findable** through the European single access point, the European e-Justice Portal, and national business registers.

The data is made available in a machine-readable format, allowing for easy **accessibility**.

The proposal ensures that the data is **interoperable** between different systems and authorities, facilitating the seamless exchange of information and **reuse** between business registers and national authorities (e.g. authorities issuing Tax Identification number (TIN) and VAT identification number).

Data flows

For each data flow, please fill the table below:

Type of data	Reference(s) to the requirement(s)	Actor who provides the data	Actor who receives the data	Trigger for the data exchange	Frequency (if applicable)
Company data (Company application form, EU central interface, Digital registration, filing and public disclosure of information, Digital EU Company Certificate, Digital EU power of attorney, Interconnection of business registers (BRIS))	Articles 13, 15, 16, 17, 18, 19, 20, 23, 24, 25, 26, 27, 28, 30, 31, 35, 67, 71, 75, 77, 80, 82, 84, 85, 87	EU Inc. companies	National authorities	Formation, Filing	On-demand
Branch Data (Digital cross-border branch registration and public disclosure of information)	Articles 35, 37, 38, 39, 40	EU Inc. companies	National authorities	Registration, filing	On-demand
Digital communication for	Articles 91, 97, 98, 99	Eu Inc. companies, national authorities	Electronic auction platform	Insolvency proceedings	On-demand

simplified insolvency proceedings, interconnection of electronic auction systems					
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4.3. Digital solutions

For each digital solution, please provide the reference to the requirement(s) of digital relevance concerning it, a description of the digital solution's mandated functionality, the body that will be responsible for it, and other relevant aspects such as reusability and accessibility. Finally, explain whether the digital solution intends to make use of AI technologies.

Digital solution	Reference(s) to the requirement(s)	Main mandated functionalities	Responsible body	How is accessibility catered for?	How is reusability considered?	Use of AI technologies (if applicable)
Business Registers Interconnection System (BRIS)	Articles 13, 15, 16, 17, 18, 19, 20, 23, 24, 25, 26, 27, 28, 35, 67, 71, 75, 77, 80, 82, 84, 85, 87	Company application form, EU central interface, Digital registration, filing and public disclosure of information etc.)	European Commission, Member States	Machine-readable format, accessibility standards of the European e-Justice Portal	Mandatory for national authorities (e.g. authorities issuing the Tax Identification Number and VAT identification number) to apply once only principle	N/A

For each digital solution, explain how the digital solution complies with the requirements and obligations of the EU cybersecurity framework, and other applicable digital policies and legislative enactments (such as eIDAS, Single Digital Gateway, etc.).

Busines Registers Interconnection System (BRIS)

Digital and or sectorial policy	Explanation on how it aligns
EU Cybersecurity framework	BRIS is developed in-house by the European Commission in compliance with the EU Cybersecurity framework and employing a "Security-by-Design" approach. BRIS uses the CEF eDelivery building block , which ensures that data exchange between member states is encrypted and integrity-protected. BRIS is developed in-house by the Commission, applying
eIDAS	<p>Regulation (EU) No 910/2014 (eIDAS), amended by Regulation (EU) 2024/1183, establishes the European Digital Identity Framework including the European Digital Identity Wallet (EUDIW). It provides an interoperable system for digital identification and serves as the legal reference for electronic identification in the Union. It allows users to securely store, manage and validate their personal identification data and electronic attestations of attributes. The European Digital Identity Framework and this proposal are complementary as this proposal relies on the European Digital Identity Framework for the identification of company founders and directors as well as investors, which is a prerequisite for reliable and secure online procedures and use of trust services.</p> <p>The recent Commission proposal for a Regulation on the establishment of European Business Wallet builds on, and extends, the European Digital Identity framework, introducing the European Business Wallet, which aims to provide electronic identification means for all companies – allowing them to store, share and seal documents – and to provide a secure communication channel that facilitates communication between economic operators (B2B) and with public sector bodies (B2G), supporting the operation of companies willing to purchase it. The proposal on the European Business Wallet and this proposal are also coherent. The Business Wallet will use the EUID, the unique company identifier under this proposal (and under the EU company law), to uniquely identify companies, allowing to link the European Business Wallets with the official, up to date and trustworthy company information in business registers. This proposal will include the existing digital tools such as the EUID, EU Company Certificate and EU Power of Attorney and will make those compatible with the European Business Wallets.</p>
Single Digital Gateway and	The Single Digital Gateway (SDG) facilitates online access to information about procedures, administrative procedures and assistance services across the EU; it is <i>lex generalis</i> and covers general principles and a wide range of administrative procedures defined in the Single Digital Gateway Regulation. There is a clear distinction between the

IMI	scope of the SDG and EU company law, which is <i>lex specialis</i> and covers company law procedures and company data in the business registers, whereby company law procedures (such as formation of a company, filing by companies or firms within the meaning of Article 54 TFEU) as well as liquidation and insolvency are explicitly excluded from the scope of SDG. Therefore, in a similar way the matters covered by this proposal are excluded from the scope of SDG. However, the EU Inc. companies under this proposal– as any other companies – will be able to benefit from the SDG in those areas which fall under the scope of SDG. Concerning IMI, this proposal is complementary to it.
Others	<p>The proposal will be coherent and complementary with the objectives of EU taxation and anti-money money laundering legislation. In particular, the exchange of information on EU Inc. companies between business registers and authorities in charge of issuing the tax identification number TIN and the VAT identification number, which will ensure that the company information in the business registers, verified during mandatory preventive controls, can be automatically utilised to issue TIN and VAT identification numbers, is coherent with the objectives of ensuring full and automated identification of taxpayers in the Directive on Administrative Cooperation 2011/16/EU34.</p> <p>The Anti-Money Laundering (AML) legislation, the AMLD6 Directive (EU) 2024/1640 and the AML Regulation (EU) 2024/1624 play a key role in safeguarding the integrity of the Single Market and preventing the misuse of companies for illicit purposes, such as money laundering and terrorist financing and ensure that companies (and other entities) have accurate and current information on their beneficial ownership and that this beneficial ownership information is held in a central register in each Member State (such as a commercial or companies register) and is made available to competent authorities, obliged entities, and persons with a legitimate interest. Ensuring that the company information is transferred from the business register to the beneficial ownership register in the context of registration of a EU Inc. company would ensure that that the company information in the beneficial ownership register corresponds to company information in the business registers (which is subject to preventive control and is up-to-date) and therefore, contribute to the objectives of the EU AML legislation, given that the accuracy of data included in the beneficial ownership registers is of fundamental importance for authorities and other persons allowed access to that data, and to make valid, lawful decisions based on that data. This would also be in line with the upcoming interconnection between the Business Registers Interconnection system, BRIS, and the Beneficial Ownership Registers Interconnection System, BORIS, following the Upgrading digital company law Directive (EU) 2025/25.</p>

4.4. Interoperability assessment

Describe the digital public service(s) affected by the requirements

Digital public service or category of digital public services	Description	Reference(s) to the requirement(s)	Interoperable Europe Solution(s) (NOT APPLICABLE)	Other interoperability solution(s)
Business Registers Interconnection System (BRIS) Cofog 04.1.1 - General economic and commercial affairs.	Company application form, EU central interface, Digital registration, filing and public disclosure of information etc.)	Articles 13, 15, 16, 17, 18, 19, 20, 23, 24, 25, 26, 27, 28, 35, 67, 71, 75, 77, 80, 82, 84, 85, 87		eIDAS European Digital Identity Wallets Business Wallet Beneficial Ownership Registers Interconnection (BORIS) Beneficial Ownership registers European e-Justice Portal

Assess the impact of the requirement(s) on cross-border interoperability

Business Registers Interconnection System (BRIS)

Assessment	Measure(s)	Potential remaining barriers if applicable
Alignment with existing digital and sectorial policies. Please	The digitalisation of company law procedures for EU Inc. companies not only builds on the existing EU company law tools as explained above but is also complementary to the other existing (or currently developed) digital tools at EU level. The new digital procedures under the proposal rely on the use of electronic identification means, including the European Digital Identity Wallets, and trust services, set out in Regulation (EU) No 910/2014 ⁵⁹ (eIDAS), amended by Regulation	

⁵⁹ Regulation (EU) No 910/2014 of the European Parliament and of the Council of 23 July 2014 on electronic identification and trust services for electronic transactions in the internal market and repealing Directive 1999/93/EC (OJ L 257, 28.8.2014, p. 73), ELI: <http://data.europa.eu/eli/reg/2014/910/oj>

<p>list applicable digital sectorial policies identified</p>	<p>the and (EU) 2024/1183⁶⁰, establishing the European Digital Identity Framework including the European Digital Identity Wallet (EUDIW). This follows the already existing complementarity, whereby the EU company law relies on the European Digital Identity Framework for the identification of company founders, directors and investors and ensures the possibility to use the EUDIW for online EU company law procedures.</p> <p>There is also complementarity between this proposal and the recent Commission proposal for a Regulation on the establishment of European Business Wallets which builds on, and extends, the European Digital Identity framework⁶¹, and aims to support companies in business-to-business and business-to-government communications. The EU Inc., as any other company, once formed and registered in the business register, may choose to purchase the European Business Wallet to securely authenticate, store and share documents. This builds on the coherence between the European Business Wallet proposal and the EU company law in general, whereby the Business Wallet will use the EUID, the unique company identifier under EU company law, to uniquely identify companies, allowing to link the European Business Wallets with the official, up to date and trustworthy company information in business registers. In addition, this proposal makes the digital tools such EU Company Certificate and digital EU power of attorney compatible with the European Business Wallets and enables the EU Inc. which has the Business Wallet to use it in compliance with this proposal.</p> <p>The proposal is also complementary to other EU initiatives that aim to facilitate cross-border information or procedures, such as the Single Digital Gateway Regulation⁶². While the Single Digital Gateway (SDG) provides for general rules to facilitate online access to information, administrative procedures and assistance services across the EU and covers a wide range of administrative procedures defined in the Regulation, this proposal covers specific company law and insolvency procedures, which are explicitly excluded from the scope of the SDG for all companies, and therefore, also for EU Inc. companies. At the same time, EU Inc. companies, as other</p>	
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⁶⁰ Regulation (EU) 2024/1183 of the European Parliament and of the Council of 11 April 2024 amending Regulation (EU) No 910/2014 as regards establishing the European Digital Identity Framework (OJ L, 2024/1183, 30.4.2024), ELI: <http://data.europa.eu/eli/reg/2024/1183/oj>

⁶¹ [COM\(2025\) 838 final](#).

⁶² Regulation (EU) 2018/1724 of the European Parliament and of the Council of 2 October 2018 establishing a single digital gateway to provide access to information, to procedures and to assistance and problem-solving services and amending Regulation (EU) No 1024/2012 (OJ L 295, 21.11.2018, p. 1), ELI: <http://data.europa.eu/eli/reg/2018/1724/oj>

	<p>companies, will be able to make use of the procedures which are under the scope of the SDG. The links to information about the EU Inc. legal form and procedures provided by this Regulation, available on national registration websites would be also available through the Your Europe portal under the SDG.</p> <p>The proposal is also complementary to Directive (EU) 2019/1024⁶³ on open data and the re-use of public sector information. While the Open Data Directive covers the reuse of public sector information by third parties for commercial or non-commercial purposes, this proposal focuses instead on the needs of direct users such as companies, other stakeholders and public authorities to access and use reliable and up-to-date official company data directly from national business registers.</p>	
<p>Organisational measures for a smooth cross-border digital public services delivery. Please list the governance measures foreseen</p>	<p>Use of e-Delivery</p> <p>Use of structured data</p> <p>Compatibility with eIDAS</p> <p>Compatibility with European Business Identity Wallet</p> <p>Compatibility with Business Wallet</p>	
<p>Measures taken to ensure a shared understanding</p>	<p>BRIS implementing acts</p> <p>Use of structured data</p> <p>Use of libraries, including ISA2</p>	<p>Barrier #1</p> <p>Barrier #2</p> <p><i>Barrier #3</i></p>

⁶³ Directive (EU) 2019/1024 of the European Parliament and of the Council of 20 June 2019 on open data and the re-use of public sector information (recast) (OJ L 172, 26.6.2019, pp. 56–83), ELI: <http://data.europa.eu/eli/dir/2019/1024/oj>

of the data. Please list such measures		
Use of commonly agreed open technical specifications and standards. Please list such measures	e-Delivery building block Compatibility with eIDAS Compatibility with Europan Business Identity Wallet Compatibility with Business Wallet To be further detailed by an implementing act	

4.5. Measures to support digital implementation

For each measure to support digital implementation, please fill in the table below

Description of the measure	Commission role (if applicable)
Establish the multilingual EU templates, including the technical specifications and detailed list of data, as referred to in Article 8	Adopt implementing acts
Establish the multilingual application forms as referred to in Article 13 and Article 38, the automatic verification referred to in Article 13(7), including the technical specifications and the detailed list of data;	Adopt implementing acts

<p>The detailed list of data to be transmitted for the purpose of exchanging information between registers and the availability of documents and information through BRIS, as referred to in Articles 15(3), 19(3), 26, 38(4) and 40;</p>	<p>Adopt implementing acts</p>
<p>The technical specifications on the compatibility between the EU Company Certificate and the EU power of attorney as referred to in Articles 30 and 31, with the Business Wallets</p>	<p>Adopt implementing acts</p>