Council of the European Union
General Secretariat

PUBLIC

Interinstitutional files:
2026/0074 (COD)

Brussels, 05 October 2026

WK 15019/2026 INIT

LIMITE

COMPET
DRS
JUSTCIV
CODEC
FISC
PI

This is a paper intended for a specific community of recipients. Handling and further distribution are under the sole responsibility of community members.

MEETING DOCUMENT

From:	General Secretariat of the Council
To:	Working Party on Company Law
Subject:	Irish Presidency Flash 8 October 2026 - Company Law WP meeting

Delegations will find attached the Irish Presidency Flash in view of the Company Law Working Party meeting on Thursday 8 October 2026.

PUBLIC

Flash: 8 October 2026 Company Law Working Party – EU Inc.

A chairde, dear colleagues,

Building on last week's Working Party, this working party will address certain outstanding technical issues, ahead of issuing the third compromise text. This includes certain issues raised by Delegations last week at Coreper and as part of the 'Any other questions' section. As ever, we thank Delegations for being brief and to-the-point. The discussion will focus on four areas:

Morning session:

1. Listing (Article 60);
2. Technical implementation of EU Inc. provisions (various articles);

Afternoon session:

3. Steward ownership and co-operatives (proposed new articles); and
4. Non-discrimination and blacklist (Article 103) and the Annex.

1. MORNING SESSION, FIRST ROUND: LISTING (ARTICLE 60)

Background

Recital 41 begins:

> *'To provide EU Inc. companies with a wide spectrum of financing options and their 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.'*

The proposal further explains:

> *'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.'*[1]

Consequently, Article 60 enables EU Inc. companies to access multilateral trading facilities (MTFs). It also permits Member States to enable EU Inc. companies to access regulated markets.[2]

In both cases, the EU Inc. company must comply with all applicable Union and national law requirements. Several Delegations considered the meaning of this unclear. The first Presidency compromise thus added a new paragraph 2a to Article 60. This ensures that where a requirement of that Union and national law conflicts with the Regulation, such as by requiring a different approach to share trading, the Regulation gives way.

[1] COM(2026) 321 final, p. 12. See also recital 42.
[2] See Article 4(21-22) of MiFID II (Directive 2014/65).

Open issues

Three issues now arise for consideration.

First, the European Parliament Rapporteur's draft report (PE 790.143) takes a different position. It proposes banning EU Inc. companies from both MTFs and regulated markets (Amendments 156 and 157). This would remove the 'exit opportunities' to which recital 41 refers and would significantly limit the scope and ambition of the proposal. It is not yet clear whether this position will survive the JURI Committee. Nevertheless, it would be useful to already understand how far Delegations support the existing balance (MTFs mandatory, regulated markets optional).

Second, certain Delegations raised more granular issues during this drafting round. In particular, certain Delegations sought additional clarity regarding the interaction with Article 4 and further clarity that the '*applicable requirements under Union and national laws'* could include corporate law. One Delegation wishes to go further, restricting Member States' freedom to grant access to regulated markets by requiring that various harmonised requirements be complied with.

Third, one Delegation holds the view that the current framework for listing EU Inc. companies does not sufficiently address the risk of regulatory arbitrage.[3] It argues that without a common baseline, companies might gravitate toward jurisdictions with more lenient interpretations, undermining market integrity. It also points out that Article 60 does not make clear which Member State law (the law of the registered office, the law of the market, or both) applies. To address this, it proposes a harmonised set of rules (see the Delegation's non-paper).

Proposed way forward

The Presidency is considering adding the following text to the third compromise text in order to address the first set of more granular concerns:

- At the end of recital 6, which explains how Article 4 works, add: '*This general rule regarding the law that governs EU Inc. companies is without prejudice to the lex specialis rules applicable as regards matters outside of this Regulation's scope, such as sectoral law, and as regards EU Inc. companies that seek admission to trading.*'
- In recitals 41 and 42, before the sentence 'Where that Union and national law diverges…', add: '*That applicable law could include national corporate law or other law affecting the EU Inc.'s corporate governance.*'

Otherwise, it wishes to hear delegations' views on the non-paper referred to above.

Questions

Question 1: How strong is your support for the current balance of the text (mandatory MTF access, optional regulated market access?

Question 2: Does the drafting of Article 60, recital 6 and recitals 41-42, including the changes proposed above, now strike the right balance?

A. Yes.
B. No. Please give specific drafting suggestions.

[3] See its non-paper: WK 15275/2026

Question 3: What changes, if any, should be introduced in light of the Delegation's comments referred to above?

A. **None.**
B. **The applicable law should be clarified, e.g. that in order for an EU Inc. to list, both its Member State of registration and the Member State of the MTF or regulated market must permit this. If so, please propose drafting.**
C. **The conditions for Member States to permit access to regulated markets should be harmonised. If so, please propose drafting.**

PUBLIC

2. MORNING SESSION, SECOND ROUND: TECHNICAL IMPLEMENTATION

Background

Over the course of discussions to date, a number of delegations have raised concerns about the technical implementation of the EU Inc. proposal, including the cost associated with adaption of national IT systems to ensure compatibility with the provisions of the proposal, the benefits of the proposed real-time tracking provision, and interaction of business registers and EUIPO / trade-mark information.

A. Real-time tracking

Art 15(5) of the Commission's proposal requires the EU Central Interface to enable real-time tracking of the registration status of a company. At the Working Party meeting on 23 July 2026, some delegations questioned the benefit of this feature, casting it is an example of a 'nice-to-have' rather than an essential feature. The inclusion of a real-time tracking facility was again raised at Working Party meetings on 10 and 17 September 2026 and also by one delegation at COMPET Council on 20 September 2026. The Presidency has sought to address concerns on the real-time tracking in the 2nd compromise text by providing that real-time tracking will only involve the *"major steps"* of the registration status of a company. However, some Delegations continue to object, including by asking what count as '*major steps*'.

B. EUIPO integration

Background

According to recital 8 of the Proposal, automatic comparison between the proposed name of an EU Inc. and the EUIPO trade mark database:

> *'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*.'

This is implemented in Articles 15(6) and 15a. The Presidency understands that this is designed primarily as an informative tool. When a founder is choosing a name, they can be given an instant warning if that name risks overlapping with an existing trade mark. This information would also flow the other way so that prospective trade mark applications would be informed that an EU Inc. with this name exists; the purpose of this reverse flow is less clear.

In the second Presidency compromise text, the Presidency clarified in recital 8 that '*This Regulation does not require competent authorities to reject applications by names that may conflict with such trade marks or to take any other action, although national law may provide for such rejection.*' It also amended Article 6(1) to add a new, optional requirement for EU Inc. names namely that they must '*(e) where provided by national law, not conflict with an existing trade mark.*'

Issues

A number of Delegations have continued to raise concerns about this Article. Some have asked for the check to be limited to '*publicly available*' information. Others have questioned the point, and potential cost, of it.

Working with intellectual property colleagues, the Presidency has drafted the following possible replacement text for Article 15a:

'Article 15a

Trade mark information

1. *Where an EU Inc. is formed in accordance with Articles 16 and 17, the EU central interface shall enable applicants to access publicly available information on Union trade marks, as referred to in Regulation (EU) 2017/1001, and national trade marks of Member States, as referred to in Directive (EU) 2015/2436, that are identical or similar to the proposed company name.*
2. *Where an EU Inc. is formed in accordance with Article 18 through a business register, the Commission shall enable access, through BRIS, to information contained in the relevant trade mark registers and thereby enable applicants to access that information.*
3. *The information referred to in the first and second paragraphs shall be provided solely for indicative purposes.*
4. *For the purposes of the first and second paragraphs, 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)(b), of Regulation (EU) 2017/1001.*
5. *The relevant trade mark registers shall remain the authoritative source of the information accessed pursuant to this Article.'*

Article 15(6) would, in turn, read:

> '*The EU central interface shall provide publicly available information about the registration of trade marks in accordance with Article 15a.*'

This drafting (i) limits access to '*publicly available information*', (ii) removes the two-way information flow (i.e. trade mark applicants would no longer be informed about EU Inc. names) and (iii) simplifies and tightens the wording.

Question 3. What should happen to real-time tracking (Article 15(5))?

A. Expand it to include applications lodged directly with national registers too.
B. Maintain it as-is, if necessary clarifying which steps are 'major steps'.
C. Delete it.

Question 4. What should happen to trademark information access Article 15a and 15(6)?

A. Restrict it as proposed above.
B. Retain the two-way information flow.
C. Do not limit it to 'publicly available' information.
D. Other (please provide drafting).

PUBLIC

3. AFTERNOON SESSION, FIRST ROUND: STEWARD OWNERSHIP AND COOPERATIVES

Background

One Delegation has proposed inclusion of provisions on cooperatives. Relatedly, the EP Rapporteur's draft report proposed inclusion of provisions on 'steward ownership'. Both of these ideas would require significant structural changes, and so the Presidency does not intend to include them at this stage. However, the Presidency wishes to test the waters on Delegations' views here given that this issue may return at trilogue stage.

Cooperatives

A cooperative is a company owned and democratically controlled by its members, typically workers, producers or consumers, with features such as the one-member-one-vote rule, variable share capital and limits on profit distribution.

One delegation has proposed amendments that would allow Member States, on an optional basis, to permit an EU Inc. to be established in the form of a cooperative, as follows.

'Article 4(2), add the underlined text:

> *2. For the purposes of paragraph 1, point (c), Member States shall designate one or more national legal forms and/or specify or lay down provisions. Member States may also allow an EU Inc. to be additionally established in the form of a cooperative in accordance with the rules of this Regulation, as supplemented by defining principles of the cooperative model in accordance with those provided for by Council Regulation (EC) No. 1435/2003 of 22 July 2003 on the Statute for a European Cooperative Society (SCE) or by the relevant national law provisions concerning cooperatives.*

At the end of Section 2 of the Annex, add the underlined text:

> *In accordance with Article 4(2), second sentence, the company may be formed by three or more natural or legal persons and may have as its principal object the satisfaction of its members' needs and/or the development of their economic and social activities; the number of members and the share capital may be variable; each member may have one vote, regardless of the number of shares held; the articles may exclude any distribution and may provide for the allocation of a portion of the annual surplus to a rebate in favour of members, proportional to the transactions carried out by each of them with the company; where there is a surplus, the articles may allocated to the indivisible reserve that shall not be distributed in any form during the company's lifetime; in the event of the dissolution and liquidation, net assets may be distributed in accordance with the principle of disinterested distribution.'*

Steward ownership

The European Parliament Rapporteur's draft report (PE 790.143) proposes including an optional steward-owned variant: the "EU Inc. SO".[4] Steward ownership is a company structure in which control rights are permanently separated from economic rights. In essence, such a company has:

- 'steward' shares: these give control (e.g. general meeting voting rights) but no economic participation rights (presumably meaning e.g. dividends); and
- 'economic' shares: these give economic participation rights, but no control rights (save for those necessary to protect class rights).

The company thus has:

- Stewards: they may <u>only</u> have steward shares. They may not hold any economic shares. They control, but may not profit from, the company.
- Investors: they may <u>only</u> have economic shares. They may not hold any stewards shares. They profit from, but may not control, the company.

This would be made 'permanent' by an obligation for business registers to '*refuse to register amendments, conversions, mergers, divisions or other transactions that would remove or materially weaken the permanent separation of control rights and economic participation rights.*'[5]

The draft report claims that this is '*an innovative governance model reflecting a broader understanding of competitiveness, based on resilience, long-term investment and sustainable value creation.*'[6]

The Commission evaluated steward ownership in its Impact Assessment and ultimately decided against incorporating it into the current proposal. Steward ownership has not been discussed at Working Party.

<u>Discussion</u>

The Presidency considers that an exchange of views among delegations would be useful, with a view to better informing the Council's position and facilitating discussions in trilogue.

The Presidency anticipates that both proposals could raise concerns. First, in order to be properly implemented, they would seem to require significant policy-making and new drafting. As regards steward-ownership, this is clear from the face of the EP Draft Report. As regards cooperative societies, it is notable that the European Cooperative Society, for instance, is an entirely separate law (Regulation 1435/2003), comprising Article 80 articles, to the European Company (2157/2001). Second, the proposals appear to depart from the nature and main objective of the EU Inc. company, namely that of a limited liability company (Article 1(1)(a)) designed to facilitate investment.

Question 5. Could you contemplate an optional cooperative and/or steward-owned EU Inc. in the context of future trilogue negotiations? If so, in what form?

[4] See notably recitals 31a-31d and Articles 8a and 8b
[5] PE790.143, recital 31b.
[6] ibid, p.147.

3. AFTERNOON SESSION, SECOND ROUND: NON-DISCRIMINATION, BLACK-LIST AND ANNEX

PUBLIC

A. Non-discrimination and black-list

Background

As drafted in the second compromise text, Article 103:

- Art.103(1): Prohibits unjustified discrimination against EU Inc. companies registered in another Member State;
- Art.103(2): Includes a 'black-list' of measures that cannot be justified, namely:
    - Point (a): Requiring that an EU Inc. have their headquarters or be registered in a Member State in order to receive public support; however, financial support may be conditioned on pre-existing economic activity in the Member State;
    - Point (b): Imposing authorisation or other requirements for economic activity that is based on the location of the registered office;
    - Point (c): Requiring a local representative or physical presence in a Member State in order to obtain an authorisation or complete any other procedure necessary for economic activity; and
    - Point (d): Requiring the use of a local payment account in order to obtain such an authorisation or complete such a procedure.

This article is a concretisation of the general principle of non-discrimination under the four freedoms and the principle of equal treatment under the Charter (Article 20 CFR). It is common for EU legislation to give concrete effect to such general principles. This allows the legislator to influence how the principles apply in specific cases.

Article 103(3a) provides that national sectoral law cannot override this article. In other words: national sectoral law may impose requirements that (for instance) require the use of a supervisory board, but they may not impose discriminatory requirements. Union sectoral law (e.g. financial services legislation requirements as regards the location of the registered office) is assumed to comply with the principle of non-discrimination, and so is not overridden and continues to apply. Recital 76 makes this clear.

Proposed way forward

In light of Delegations' comments, the Presidency is considering narrowing Article 103(2)(c). Despite clarifying this provision's limited scope (recital 78), some Delegations continue to object to this requirement. **Question 6** below addresses this.

B. The Annex

The second Presidency compromise introduced a second section of the Annex to the Regulation. The first section sets out things that all EU Inc. articles of association must contain, e.g. the name of the company. The second section sets out the things that EU Inc. articles of association could contain. The idea is to provide clarity to founders in a single list. It is also to provide clarity regarding those areas in which national law cannot override the articles of association.[7]

[7] Subject to Article 1(3) and Article 60, i.e. sectoral law and applicable law for listing may still override.

This list is not exhaustive, because national law could leave further freedom to the articles of association on matters not covered by the Regulation. But it should cover the majority of corporate matters, as the EU Inc. proposal is designed to cover most of the ground on this issue.

Ideally, this Regulation would merely mirror the Regulation. However, some parts of the Annex expand on or narrow parts of the body of the Regulation (e.g. compare Article 42(1) with pp152-153 of the second Presidency compromise). Moreover, there is an inevitable risk of inconsistency. With this in mind, the Presidency wishes to ask **Questions 7 and 8**.

Question 6: How should non-discrimination (Article 103) work?

A: Amend Article 103(2)(c) by deleting its application to a local representative, as follows:

> '*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*'.

B: Maintain the current balance;

C: Other (e.g. adding new black-list requirements) – please give drafting.

Question 7: Do you agree that Section 2 (optional content) should be included in the Annex?

A: Yes.

B: No.

Question 8: If so, does the content of the Annex faithfully reflect that of the body of the Regulation? Please list any inconsistencies you have spotted.

The Irish Presidency Team

5 October 2026

PUBLIC