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CONTRIBUTION

From:	General Secretariat of the Council
To:	Working Party on Company Law
Subject:	Proposal for a Regulation on the 28th Regime – EU Inc. Table with Member States Drafting suggestions (Articles and Annexe).

Delegations will find attached a table with the Member States Drafting suggestions (Articles and Annexe) on the Proposal for a Regulation on the 28th Regime – EU Inc.

Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on the 28th Regime Corporate Legal Framework - EU INC. ARTICLES AND ANNEXE

From: AT, BG, CZ, DK, EE, EL, ES, FI, FR, HR, HU, LT, LU, LV, MT, NL, PL, PT, SE, SI, SK **Updated: 24/06/2026 10:13**

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Guidelines to be followed

Please kindly provide your contributions in the table below.

Drafting suggestions: you may use '**track changes**'* or formatting (for example **bold-underline** for additions and ~~strike-through~~ for deletions, **where necessary, in a different colour**). *Track changes can only be connected once the cursor is placed in editable areas (Drafting or Comments columns).

To make it feasible to consolidate all contributions, the structure of the table must not be changed, so **no rows can be added or deleted.**

New provisions may only be added in any of the **'existing cells'.**

Name of document: please add the **two initials** of your delegation's country followed by a space (to the MS Word document name), followed by any optional text, for example, for Austria: **AT comments on … .docx**

Thank you for your cooperation!

Commission proposal	Drafting suggestions and Comments
General Comments	AT (Comments): A number of issues have emerged from the analysis conducted so far. These concern, in particular, the following areas: **legal basis**, **capital requirements and risks of abuse**, **employee participation**, **insolvency proceedings**, and **tax rules**. We will examine them in greater detail when discussing the individual provisions. BG (Comments): The Republic of Bulgaria welcomes the objectives of *the proposal for a Regulation establishing a corporate legal framework for the so-called 28th regime, EU Inc.* Deepening the process of harmonisation of the legal systems of the Member States will contribute to the full functioning of the Single Market and its further development.

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	We believe that this simplified regime could help significantly to increase the competitiveness of companies in the context of the economic challenges currently facing the European Union. The proposal will encourage investment, particularly in innovative and scale-up companies, and help close the innovation gap. In this context, we express a generally positive attitude towards introducing simpler and more flexible rules for these companies. At the same time, it is necessary to ensure that these simplified rules do not create a risk of circumvention of the established rules designed to prevent abuse. As regards the legal basis, we have concerns as to whether it is appropriate to provide for a new company form laid down in a regulation. CZ (Comments): Internal discussions are still ongoing in Czechia. Therefore, we will submit additional comments at a later stage, while fully acknowledging the tight timeline. DK (Comments): Denmark welcomes that the “wallet by default” principle has been applied in the proposal and generally supports that the proposal envisages the use of both EUDI Wallets and European Business Wallets as key digital tools for companies operating under the 28th regime. Denmark would, however, like to raise two general points on the use of wallets in this regard. • First, there seems to be a general lack of clarity on how the provisions of the proposal relate to national rules and existing systems for employee representation, signatory rights, and powers of attorney.

Commission proposal	Drafting suggestions and Comments
	We consider clarity on this to be a prerequisite for successful implementation and for the proposal to deliver real added value. • Second, it is generally unclear whether the proposal imposes obligations on public authorities to accept specific electronic attestations of attributes (EAAs), including for example the EU Company Certificate. If this is the intention, we believe it should be stated clearly throughout the proposal. EE (Comments): Estonia supports the creation of a new EU legal form of company that can be established easily and digitally, which would help overcome barriers and reduce costs in the establishment, operation and expansion of companies in the EU single market, thereby enabling entrepreneurs to operate more easily within the EU single market, but only on the condition that it reduces the administrative burden on entrepreneurs and does not create excessive costs for the public sector, and that digital solutions are implemented. Estonia supports a solution that harmonizes to the greatest extent possible, thereby ensuring a greater degree of removal of internal market barriers in the process of establishing and operating an EU Inc. Estonia supports the processing of the proposal within an effective timeframe, with the aim of reaching adoption of the Regulation by the end of 2026, provided that speed does not compromise the quality of the solutions or increase the administrative burden. Estonia considers it important that EU legislation provide practical added value for businesses, contribute to the simplification of the legal framework, and avoid imposing an additional and disproportionate administrative burden. Accordingly, the proposal should be limited to measures in areas where further harmonisation brings clear added value. Estonia considers that references to the EU Business Wallet initiative should be removed from the proposal, as it does not provide substantive added value

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Commission proposal	Drafting suggestions and Comments
	within the framework of the EU Inc., given the digital solutions already available at EU level. Estonia considers that the EU Business Wallet initiative should not give rise to duplicative solutions without a clearly demonstrated need and therefore requests that references to the Business Wallet be removed from this Regulation. Estonia has not yet been convincingly presented with use cases for the Business Wallet that cannot already be addressed by existing instruments available in the EU (including the digital wallet) At present, the proposal does not regulate labour law matters; however, the treatment of labour law issues has been analysed in the context of earlier discussions on the 28th regime. Estonia takes a cautious approach to the inclusion of labour law provisions in the EU Inc. Regulation, as at the current stage of the proposal it remains unclear whether, and in respect of which labour law issues, further harmonisation would be feasible and appropriate. Estonia considers that, where the proposal provides for the regulation of labour law matters, it should deliver practical added value for businesses and contribute to the simplification of the legal framework, without imposing an unreasonable administrative burden on companies. LT (Comments): LT supports the choice of a Regulation as the legal instrument for the 28th regime, and the overall direction of the Proposal – a share-based capital model without a minimum capital requirement, fully digital formation and the use of standardised EU templates for articles of association. The implementation of the Proposal will require adaptation of national systems, all of which will need to be interconnected with BRIS and with each other to support the “once-only” principle. This entails budgetary costs and requires a realistic implementation timeline. Clarity is also needed on how data

Commission proposal	Drafting suggestions and Comments
	transmitted automatically via BRIS will be checked against national requirements that the Regulation does not itself regulate. LT supports increased flexibility for founders and shareholders, however, this should not come at the expense of adequate protection of creditors, minority shareholders and employees. MT (Comments): Malta acknowledges the concept of a voluntary 28th Regime. We would like to underline that it needs to be implemented in a phased / modular approach. We continue to underline that issues relating to tax, insolvency and employment need to be out of scope and remain a Member State competence. SK (Comments): The Slovak Republic would like to note that, at this stage, it can provide only preliminary comments drafting suggestions. Any final proposals for textual amendments will depend on the legal instrument that the Presidency ultimately decides to pursue. The Slovak Republic takes due note of the opinion of the Council Legal Service. While acknowledging the potential benefits and practical advantages of a regulation for entrepreneurs, it considers that the legal certainty and long-term stability of the 28th regime require an instrument based on a sound and undisputed legal basis. In light of the legal risks identified by the Council Legal Service, including the risk that a regulation could be annulled if founded on an inappropriate legal basis, the Slovak Republic considers a directive, or a combination of a directive and a regulation, to be the only viable way forward, unless the initiative is based on Article 352 TFEU.
	LU

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Commission proposal	Drafting suggestions and Comments
	(Drafting suggestions): Drafting suggestion for Recital 6: (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 **and Union law** should apply to all matters where this is provided for by this Regulation for matters not covered by this regulation. **This Regulation is without prejudice to national law and Union law applying to entities operating in the financial sector, whether or not the relevant matters are covered by this Regulation, including but not limited to financial sector entities, as defined by article 4, paragraph 1, sub-paragraph (27), of Regulation (EU) No 575/2013, undertakings for collective investment in transferable securities ("UCITS") authorised in accordance with Article 5 of Directive 2009/65/EC, alternative investment funds ("AIFs") as defined in point (a) of Article 4(1) of Directive 2011/61/EU, UCITS management companies as defined in point (b) of Article 2(1) of Directive 2009/65/EC and investment companies authorised in accordance with Directive 2009/65/EC which have not designated a management company authorised under that Directive for its management, and alternative investment fund managers ("AIFMs") as defined in point (b) of Article 4(1) of Directive 2011/61/EU.**
CHAPTER I - GENERAL PRINCIPLES	
Article 1 ***Subject matter***	BG (Comments): The draft Regulation does not provide for restrictions in the scope of activity that EU Inc. may carry out. In this sense, it creates the possibility of a conflict

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	with existing specific rules of national law, for example in the field of activities of medical institutions and a number of others. SE (Drafting suggestions): **Article 1** *Subject matter **and scope***
	FR (Comments): France takes due note of the Commission's commitment (Working Party on Company Law, April 17th) to amend the drafting of Article 1 to specify that the Regulation governs only company law matters.
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:	AT (Comments): Art. 1 should be discussed at a later stage, once the final content of the draft has been determined. DK (Drafting suggestions): This Regulation lays down rules to improve the functioning of the internal market and to create an efficient **optional** legal framework for companies and investors DK (Comments): DK finds that this technical improvement will ensure clarity and coherence for any who choose this optional legal form. This amendment should also be in preambles 1-4.

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Commission proposal	Drafting suggestions and Comments
	ES (Drafting suggestions): This Regulation lays down rules to improve the functioning of the internal market and to create an efficient optional legal framework ES (Comments): Technical improvement to ensure the coherence of the proposal and adapt it to social reality. The proposed amendments are justified both technically, as they ensure the internal coherence of the text, and substantively, in that they respect the principle of freedom of contract of the entrepreneur or innovator, who may choose this legal structure or any other permitted by national legal system or European acquis. FI (Comments): FI: The discussions on the file in the national Parliament are still ongoing. In general, we can say that we support the objectives of the proposal. Certain key points related to the new company form must still be resolved in a manner that is effective and secured. It is important to take measures to reduce the administrative burden related to the establishment and operation of companies at the EU level, which may also indirectly strengthen the EU's competitiveness in the long term. We also pay attention to sufficient investor protection and the need to provide the authorities with sufficient means to reduce the risks of abuse for the EU Incs.. FR (Drafting suggestions):

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	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 HR (Comments): HR Croatia supports this proposal as an upgrade to digitalisation of national business registers, BRIS, and as an opportunity to boost up entrepreneurs' activity around EU. Regarding the legal base issue of this proposal, it is reasonable to assume in case EU inc. will be regulated by an Directive and not by Regulation, that We will be unable to achieve the required and anticipated goal. Also, combination of regulatory frameworks (Directive+Regulation) will create diversity in EU inc. treatment around MS and seems to be "the last resort option." PL (Comments): During the national consultations held to date, concerns have been raised regarding the applicability of the EU Inc. company form to financial institutions such as banks, insurance companies, and investment funds, given that these entities are subject to strict sector-specific regulations.
	FR (Drafting suggestions): **2. This regulation shall not apply to:** **- the field of taxation, except article 79;** **- labour law, namely legal or contractual provision concerning employment conditions, working conditions, including health and safety at work and the relationship between employers and workers, which Member States apply in accordance with national law which respects**

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	Union law. Equally, this Directive does not affect the social security legislation of the Member State. FR (Comments): The purpose is to clarify the scope of the Directive in order to prevent risks of forum shopping in the fields of taxation or workers' protection. The wording is inspired by Articles 1(6) and 2(3) of Directive 2006/123/EC.
(a) creating a new harmonised legal form of a limited liability company ('EU Inc.') provided in the legal order of every Member State;	CZ (Drafting suggestions): (a) creating a new harmonised legal form of a limited liability company (**'EU Incorporated' or** 'EU Inc.') provided in the legal order of every Member State; CZ (Comments): The designation "EU Inc." appears conceptually misleading, as "Inc." is commonly understood as an abbreviation for "incorporated", whereas here it forms part of the full name. While any label will inevitably evoke comparisons with Anglo-American company law, the current wording may create unnecessary confusion. Further clarifications are possible in the recitals. SE (Drafting suggestions): (a) creating a new harmonised legal form of a limited liability company ('EU Inc.')**, to be used by innovative startups and innovative scaleups,** provided in the legal order of every Member State; SE

Commission proposal	Drafting suggestions and Comments
	(Comments): We are open to limit the scope of the EU Inc. framework to be used only by innovative start-ups and innovative scaleups. The proposal in its current drafting offers a very flexible regulatory framework, which is not suitable to be used by companies having reached a certain size and a certain number of shareholders. By limiting the proposal to innovative start-ups and scaleups, the companies that requested the regulatory framework will still fall within its scope, while the risks of the EU Inc company form being abused are reduced, as it will not be possible to use the new legal form in certain sectors with a high risk of e.g. money laundering. Also, the risk of circumvention of national laws will be reduced. Furthermore, a limitation would also mean that it would be easier to accept a more flexible company law framework regarding e.g. shareholders rights. Right now, the proposal offers a too flexible framework when it comes to corporate governance and will require a lot of negotiations to find satisfying solutions to all the objections raised. Given the very narrow deadline for finalising this proposal, we will not have the time for that. Therefore, limiting the proposal to innovative startups and scaleups could be a feasible way forward. SI (Comments): During the discussion, it was emphasized on several occasions that the new form of EU Inc. is a hybrid between a limited liability company and a joint-stock company; therefore, we propose revising the text, as otherwise it will lead to confusion. It is unclear whether the Regulation allows companies to access public markets without changing their legal form. If access to public markets is only possible through a change of legal form, the Regulation would effectively create not one, but two distinct legal forms. This point should be clarified to ensure legal certainty and avoid unintended structural implications.

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Commission proposal	Drafting suggestions and Comments
(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;	HR (Drafting suggestions): HR EU inc. central module instead of EU central interface HR (Comments): HR Functionalities performed by EU interface make it a module on BRIS. Naming it EU inc. central module, instead of EU central interface, would define more clearly the purpose of this system.
(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;	HR (Comments): HR Once-only principle is essential for success of EU inc. proposal, although the readiness of the MS for complying with this principle in practice should be checked in advance.
(d) introducing measures to reduce administrative burden in procedures covered by this Regulation throughout the lifecycle of EU Inc. companies including investment-related procedures;	SI (Comments): The administrative burden arising from restrictive measures, the EU investment screening framework, and anti-money laundering and countering the financing of terrorism requirements also forms part of preventive controls and may significantly affect the timeline for company establishment. In addition, some Member States impose further conditions, such as disqualification of founders based on criminal records, tax offences, or infringements of labour law, as well as procedural requirements like opening a bank account, obtaining the property owner's consent for registering the company's business address, and

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	prohibitions on the formation of dormant shelf companies. These factors should be duly taken into account.
(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.;	BG (Drafting suggestions): (f) ~~harmonising certain aspects of insolvency procedures applicable to specific categories of undertakings taking the legal form of EU Inc.;~~ BG (Comments): We are of the opinion that Article 1, beech. "f" should be dropped as we do not believe that insolvency issues should be dealt with by this regulation. CZ (Drafting suggestions): ~~(f) harmonising certain aspects of insolvency procedures applicable to specific categories of undertakings taking the legal form of EU Inc.;~~ CZ (Comments): We propose to delete the whole chapter X (see reasoning below). FI (Drafting suggestions): ~~(f) harmonising certain aspects of insolvency procedures applicable to specific categories of undertakings taking the legal form of EU Inc.;~~

Commission proposal	Drafting suggestions and Comments
	FI (Comments): FI: Please see our comments on Chapter X. HR (Comments): HR insolvency procedure in this proposal is problematic and that was communicated during working group meetings PL (Comments): Poland has significant reservations regarding the inclusion of insolvency matters within the scope of this instrument. Establishing a new insolvency regime under this instrument, limited to a narrow group of "innovative companies," could lead to the fragmentation of insolvency laws rather than their harmonization. SE (Drafting suggestions): ~~(f) harmonising certain aspects of insolvency procedures applicable to specific categories of undertakings taking the legal form of EU Inc.;~~ SE (Comments): Please see our comments to chapter X. SI (Comments): We emphasize the need for caution in regulating the field of insolvency law by the proposed regulation

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(g) prohibiting certain discriminatory measures with respect to EU Inc. companies whose registered office is in another Member State.	BG (Comments): According to Art. 1, letter. "g" we believe that reverse discrimination should not be allowed, i.e. EU Inc. companies should not be treated more favourably than national companies. MT (Drafting suggestions): To add a new sub-paragraph (h) **(h) establishing a robust procedural framework that includes 'stop-the-clock' mechanisms to protect the integrity of the Internal Market, allowing for the suspension of registration and filing timelines in cases of suspected fraud, abuse, incomplete documentation, beneficial ownership concerns, labour-supply concerns, or the need for social-security verification** To add a new sub-article (2): **(2) This Regulation is without prejudice to the application of national laws regarding taxation, labour relations, and insolvency and except where otherwise expressly provided in this Regulation, these matters shall remain governed by the applicable *lex loci*.** MT (Comments): Malta recommends the inclusion of a "stop-the-clock" mechanism to allow competent authorities to suspend the 48-hour timeline where UBO documentation is incomplete, flagged as high-risk, or requires enhanced due diligence.

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	Malta recommends that the regulation explicitly states the "EU Inc." entities remain subject to the *lex loci* (law of the place) regarding tax residency, labour contracts, and insolvency proceedings to avoid legal fragmentation and regime shopping. This decoupling is essential to prevent the new company form from being used as a vehicle for tax avoidance or circumvention of national regulatory standards.
	LU (Drafting suggestions): ***Proposal for new Art. 1(2)*** **2. This Regulation is without prejudice to Union law and to national law imposing or restraining the legal forms that may be used for the carrying out specific activities, including but not limited to activities of entities operating in the financial sector such as financial sector entities, as defined by article 4, paragraph 1, sub-paragraph (27), of Regulation (EU) No 575/2013, undertakings for collective investment in transferable securities ("UCITS") authorised in accordance with Article 5 of Directive 2009/65/EC , alternative investment funds ("AIFs") as defined in point (a) of Article 4(1) of Directive 2011/61/EU, UCITS management companies as defined in point (b) of Article 2(1) of Directive 2009/65/EC and investment companies authorised in accordance with Directive 2009/65/EC which have not designated a management company authorised under that Directive for its management, and alternative investment fund managers ("AIFMs") as defined in point (b) of Article 4(1) of Directive 2011/61/EU.** SE (Drafting suggestions): **This Regulation does not affect labour law, that is any legal or contractual provision concerning employment conditions, working**

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	conditions, including health and safety at work and the relationship between employers and workers, which Member States apply in accordance with national law which respects Union law. Equally, this Regulation does not affect the social security legislation of the Member States. **This Regulation does not affect the exercise of fundamental rights as recognised in the Member States and by Union law. Nor does it affect the right to negotiate, conclude and enforce collective agreements and to take industrial action in accordance with national law and practices which respect Union law.** **This regulation is without prejudice to Union law on the information, consultation and participation of employees that shall apply to EU Inc. companies in accordance with their respective scope and conditions. In particular, Directive 2002/14/EC, Directive 2009/38/EC as revised by Directive 2025/2450/EU, as well as Directive 2001/23/EC and Council Directive 98/59/EC shall apply to EU Inc. companies. An EU Inc. shall be considered a Community-scale undertaking or a Community-scale group of undertakings, where it meets the thresholds set out in Directive 2009/38/EC as revised by Directive 2025/2450/EU.** **This Regulation does not affect the application of Regulation (EC) No 593/2008 on the law applicable to contractual obligations (Rome I).** SE (Comments): This is taken, with minor adjustments, from Directive 2006/123/EC on services in the internal market.

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Commission proposal	Drafting suggestions and Comments
Article 2 **Definitions**	FI (Comments): FI: Please see our comment on the defintion of innovative start-ups (below at Art. 88). PT (Comments): We believe this article should remain open until the end of the negotiations, as some definitions may need to be amended, added, or removed.
	LT (Comments): Article 2 of the Proposal sets out the definitions applicable for the purposes of the Regulation. However, several terms that are central to the Proposal are used throughout the text without being defined in Article 2 or by way of reference to other Union acts in which they are defined. In the interest of clarity and legal certainty, LT suggests that Article 2 be supplemented with definitions of, or references to existing definitions of, the following terms: "central administration", "principal place of business", "digital presence" and "Union resident". The absence of clear definitions of these terms may give rise to divergent interpretations across Member States and undermine the uniform application of the Regulation.
For the purposes of this Regulation, the following definitions shall apply:	AT (Comments): AT will address the definitions as necessary in connection with the relevant substantive provisions. BG (Comments):

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	In Article 2 we propose to give a clear and exhaustive description of what the definitions under para. 1, 2, 3, 8, 14,15 19, 24, 25 without reference to other acts - if these texts need to be partly or fully copied into the Regulation. Moreover, this is a regulation and will be directly applicable, so the definitions must be as clear as possible.
	SE (Comments): The Commissions recommendation on the definition of innovative enterprises, startups and high growth scaleups should be brought into this regulation and thus able to be negotiated and discussed by the Member States.
(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;	FR (Drafting suggestions): (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, **and** - **on and BORIS, as referred to Directive (EU) 2015/849 as amended by Directive (EU) 2018/843;** FR (Comments): The purpose is to leverage the two existing interconnection systems: - the BRIS interconnection (for company data), to simplify formalities; - the BORIS interconnection (for beneficial ownership data), to secure the anti-money laundering framework.

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	HR (Comments): HR EU central interface is not only a digital access point. Functionalities of this system clearly outgrow the definition of a digital access point. That is why it should be called EU inc. module or similarly. It is important that the name of this system corelates with the goal, performance, and content of its functions.
(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;	FR (Drafting suggestions): **(2.1)** '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~~ **the portal serving as the European electronic access point** as referred to Article 22 of Directive (EU) 2017/1132; FR (Comments): The purpose is to strictly adhere to the definition in Article 22 of Directive (EU) 2017/1132 : "The system of interconnection of registers shall be composed of: — the registers of Member States, — the platform, — the portal serving as the European electronic access point."
	FR (Drafting suggestions):

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	(2.2) 'Beneficial ownership registers interconnection system' ('BORIS') means the system of interconnection of registers operating at the Union level, as referred as referred to Directive (EU) 2015/849 as amended by Directive (EU) 2018/843; FR (Comments): In accordance with Article 2(1)
(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;	CZ (Comments): Firstly, it appears to be a circular definition – "a shareholder is a founding shareholder" – since there is no definition of a founding shareholder. Secondly, it should be clarified that if the EU Inc. chooses a different method of registering shares (DLT, central depository), than a shareholder is a person registered therein. HR (Drafting suggestions): HR Compare legislation on register of shares systems in MS and determine at least one additional criterion that will include obligation of the EU inc to inform the business register on the fact that there was a change of shareholders, providing a deadline for that and sanctions. This is important because Art.25.par.1.i of the proposal says that only in case of a single-member company the identity of the sole member should be made publicly accessible and not in cases where EU inc has more than one shareholder. It is relevant to make publicly accessible the information on the identity of all

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	shareholders, because that enhances transparency and confidence in public register and information it provides. HR (Comments): HR Defining a shareholder only by the criteria of registration into the digital register of shares is insufficient. Usually, director is obliged by law to keep the register of shareholders. This doesn't define what will happen if information on the shareholders differs in digital register, business register and in Articles of association in later life of and EU inc., or when the director doesn't register a change of shareholders in the register of shareholders. Also, should We conclude that EU inc can have only digital register of shares and the paper one is not an option at all? LU (Drafting suggestions): 'shareholder' means any holder of shares in the EU Inc, the person registered into the digital register of shares being presumed to be shareholder.
(5) 'articles of association' means both the instrument of constitution and the statutes in one single document;	LU (Drafting suggestions): 'articles of association' means **the articles of association or statutes governing the EU Inc. company, included in** ~~**both**~~ the instrument of constitution ~~**and the statutes**~~ in one single document **at the time of its formation, and the consolidated version of the articles of association after any amendment as referred to in article 27, paragraph 3;** LU (Comments):

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	LU questions whether it is appropriate for the definition to only refer to the instrument of constitution, as the articles can also be amended after the constitution in a separate instrument.
(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;	
	CZ (Drafting suggestions): **(6a) 'director' means any [legal or] natural person entrusted, formally or in fact, with the management function of an EU Inc., whether individually or as a member of a company body;** CZ (Comments): We are rather inclined towards creating a definition of "director" (or relevant concept) that is of a substantive (material) nature and cannot be circumvented by formal designation of a specific function. Such a definition should also cover persons who are not formally appointed but effectively perform management function (shadow or de facto directors). At the same time, we recognise that, for the purposes of disqualification, it is necessary to retain the definition from Directive (EU) 2017/1132 (CLD). We are therefore prepared to tolerate this inconsistency; however, the difference should be explicitly acknowledged and explained in a recital. We could also envisage using a different term than "director"; however, this would require careful replacement of all occurrences throughout the proposal.
(7) 'fully online procedure' means a procedure that can be carried out fully online without the necessity to appear in person before any	

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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;	NL (Drafting suggestions): (8) 'employee participation' means participation as defined in point (k) of Article 2 of Directive 2001/86/EC and other rights granted under corporate law of the Member State to the body representative of the employees and/or the employees' representatives of a company; NL (Comments): The Netherlands believes it is important to ensure that the preservation of rights regarding employee representation is not limited to the definition of "employee participation," but also extends to other rules of **corporate law** relating to employee participation (such as the right to speak at the shareholders' meeting and rights regarding the dismissal of supervisory board members).
(9) 'formation' means the whole procedure of establishing an EU Inc. including all the necessary steps for its entry in the business register;	PL (Comments): The draft should be consistent with Directive 2017/1132 in order to avoid any ambiguity in interpretation (e.g., Directive 2017/1132 uses the term "formation" of a company, clearly indicating that this also refers to the stage of concluding the articles of association, whereas there is no explicit indication as to whether this stage is covered by the concept of company formation in the definition proposed in the draft).

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(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;	BG (Comments): Article 2(11) is not clear to us and we would like the Commission to give more information on what exactly this text means. HR (Comments): HR Who should provide accessibility to NACE in national level and EU interface for formation of EU inc? How is this going to be performed in practice-the application form will have some kind of "menu", where the classification of activities will be accessible, and the founder could choose from it by clicking on a specific activity (one or more)? SK (Drafting suggestions): We tend to be rather careful when using the NACE code. Our businesses as well as tax authorities point out that it is not very clear and easy to assess which one activity is the main one.
(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;	HR (Comments):

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	HR Terminology definitions in this paragraph should be followed by the paragraph (30), so liquidation will be defined in the logical order in this Article.
(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;	CZ (Comments):

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	Clarification is requested regarding the divergence from Article 13a(5) of CLD. In the absence of a clear justification, alignment of the wording with the CLD would be preferable in order to ensure consistency across Union company law instruments.
(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 Council[1];	
(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	

[1] 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

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the digital register of shares that 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;	CZ (Comments): Article 79(2) refers to the "acquisition of shares", which is not defined in the proposal. This concept requires clarification to avoid divergent interpretation. SE (Drafting suggestions): ~~'warrants'~~ **'options'** means instruments which entitle their holders to subscribe for new shares in the company for a consideration SE (Comments): It seems like the part of the proposal dealing with warrants is really about options and it may therefore be considered whether the term 'warrants'

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	should be changed to "options" or that the term "warrants" should be given a definition corresponding to how warrants are otherwise defined.
(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;	SK (Drafting suggestions): *We propose that paragraphs 13, 29 and 30 are placed consecutively.* SK (Comments): *Position of the Slovak Republic on Article 2(13), (29) and (30)* *Under the proposal, the dissolution of a company is defined as "a decision or event, including a resolution of the general meeting, the expiry of a period, or the occurrence of an event provided for in the company's statutes, or a court decision, by which the ordinary business activities of the company cease and by which … the liquidation process is initiated."* *It is precisely the wording "and by which … the liquidation process is initiated" that we consider problematic. Under Slovak law, a company enters into liquidation upon the registration of the liquidator in the Business Register. Such registration presupposes that an advance payment for the liquidator has been made and that the liquidator has been appointed, either by the company or by the court.*

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	The proposed definition of dissolution is therefore inconsistent with the conceptual framework of liquidation under Slovak law. We propose rewording it in a more general manner.
(30) 'solvent liquidation' means a liquidation initiated by the company when it is able to pay its debts in full within a determined period.	HR (Drafting suggestions): HR "liquidation" is a procedure initiated in case when the company is able to pay its debts in full within a determined period. HR (Comments): HR Is it necessary to define this as "solvent" liquidation? Opposite would be "insolvent liquidation" and that is insolvency procedure. We use insolvency as term and not insolvent liquidation. Liquidation is not the same as insolvency and the purpose of liquidation is to resolve all business operations and delete the company from the register. Also, this definition should be put under paragraph (13) of this Article. LU (Comments): LU suggest referring to national law regarding the definition of a solvent company.
	DK (Comments): We suggest adding two definitions to this article. In that regard DK notes that there should be a definition of "capital" and "director". Regarding the definition of capital the article should specify that this refers to company capital.

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	Regarding the definition of "board of directors" DK notes that the nordic corporate governance structure lies between the Anglo-Saxon one-tier and the continental European two-tier model. The Board is responsible for the overall governance of the company's affairs, including the strategy, organization, financial structure of the company and oversight of risk management, whereas the day-to-day management is delegated to the CEO. The extensive decision-making authority thus assigned to the Board is limited primarily by the decision-making powers of the General Meeting in certain matters. PT (Comments): It may be useful to consider including definitions of startup and scaleup directly in the Regulation. Although the concept of an "innovative startup" is relevant to certain parts of the proposal, its definition currently relies on a non-binding Recommendation. A definition based on objective criteria could enhance legal certainty and ensure greater consistency with existing national frameworks and EU funding instruments.
Article 3 **Legal form and general principles**	FI (Comments): FI: Please see our comment on shareholder protection (below at Art. 56). HR (Comments): HR Explanatory memorandum of the Regulation proposal on the 28th regime corporate legal framework-Eu Inc. (page 16-detalied explanation of the specific provisions of the proposal), last paragraph states: "Eu Inc. companies are **limited liability companies** that can be formed by one or more natural or legal persons…".

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	Also, Article 1. par.1.a) regulates creating a new harmonised legal form of a limited liability company… and Article 21. par.1.d) of this proposal (Creation through domestic and cross-border conversions, mergers or divisions) refers to **"limited liability company or companies."** HR Further, the terminology in this proposal that is used regarding the legal form of EU Inc. is: - Article 3., par.1.: EU Inc. shall be a **legal form** provided for in the legal order of each Member State which shall have following characteristics…, - Article 48.par.1.,2., Article 49.,52.,54.,55., 56., 57., etc. uses the terminology **"shareholder and shares",** and in some jurisdiction this terminology can point that EU Inc. might have a form of a joint stock company. HR During previous Working party meetings, the question was posed if the intention of this proposal is to define that an EU Inc. can be established as limited liability company, simple limited liability company or joint stock company. Clear determination of the company type/legal form of an EU Inc. is fundamental for further discussion and adjustment of the provisions, especially those concerning formation, Articles of association and transfer of shares
EU Inc. shall be a legal form provided for in the legal order of each Member State, which shall have the following characteristics:	AT (Comments): • In light of the stated objective of the proposal, a possible scenario to consider would be to **limit the scope to innovative start-ups and scale-ups**, as this could mitigate a number of concerns raised by the current draft.

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	• Regarding the lack of minimum capital requirements: see Art. 62. LU (Comments): LU welcomes the fact that the proposal is not limited to innovative companies but notes that the EU Inc could also be used for purely domestic business, without any cross-border activity.
	NL (Drafting suggestions): Include in article 3 a new point: *(aa) the capital of the company is divided into shares.* NL (Comments): The Netherlands believes that this characteristic was missing in the description of the legal form of the EU Inc. It is important to specify the material characteristics of the EU Inc. and not leave this implicit.
(a) a shareholder shall not be liable for the obligations of the company;	HR (Drafting suggestions): HR to add in this definition: unless otherwise determined by this Regulation or national law HR (Comments): HR Such definition excludes entirely liability of a shareholder for the obligations of the company. In this proposal there is a liability of EU inc and shareholders determined in Art.52. par.4.

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(b) it shall have legal personality pursuant to the law of the Member State of registration, which shall be recognised by other Member States;	AT (Comments): It is unclear to what extent the reference to "*the law of the Member State of registration*" retains substantive relevance in light of Art. 5(2), which determines the moment at which legal personality is acquired. Clarification is requested as to whether this reference is intended merely as a reference to technical implementation and registration procedures.
(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;	HR (Drafting suggestions): HR 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; HR (Comments): HR "ex nihilo" is not necessary in this definition. Leave out from this definition "ex nihilo", and this definition will function just fine without this SK (Drafting suggestions): When referencing to cross-border conversions, mergers or divisions, Article 21 mentions "creation" in addition to formation. We understand this is purely technical issue, however, it might be made clear also in this place, that in case of cross-border conversions, mergers or

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	divisions, the EU Inc. is created, not formed. This is also very much relevant with regard to formation procedures as set out by the proposal. Any clarification on this issue is welcome. This also applies to letter c).
(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.	EE (Comments): Estonia supports the possibility to establish an EU Inc. for a limited periood of time, provided that, upon expiry, the standard voluntary liquidation procedure applies, covering all aspects of liquidation and the distribution of assets, in order to prevent the easy removal of fixed-term companies from the register. Such an approach is necessary to protect creditors and other interested parties, ensuring that the company is not dissolved without due process for claims and proceedings and that all obligations are duly fulfilled prior to its removal. SI (Comments): In the Slovenian court registry, information regarding the duration of a company is considered registry data. If a company was established under the 28th regime in accordance with this regulation, it must be clarified whether information regarding a limited duration is entered into the registry, who verifies changes to the duration and how registry procedures are aligned with national registry rules.

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	ES (Drafting suggestions): ***Article 3(g) [new]:*** "(g) In the case of existing companies wishing to incorporate as an EU Inc., the business register shall carry out the relevant checks to ensure that they have not previously failed to comply with their tax, fraud or social security obligations. Conversely, if this assessment reveals any non-compliance, the existing company will not be permitted to convert into an EU Inc. ES (Comments): Exclude from this regime existing companies that fail to comply with their legal obligations, this amendment allows the business register responsible for the incorporation of the EU Inc. to carry out the necessary enquiries, whilst respecting the 'once-only' principle. SE (Drafting suggestions): **(g) it shall be an innovative startup or scaleup company as defined in art. 2.x.** SE (Comments): For an explanation why we suggest this limitation of the scope of the proposal, please see our comments under art. 1.
Article 4 **Rules applicable to EU Inc.**	BG (Comments): In accordance with Article 4 of the Regulation, Member States are to determine the relevant national legal form, the provisions of which are to apply to 'EU Inc' companies. In this regard, we consider it important to

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	clarify from the Commission what the legal nature of the new type of company may be, so that it can be subject to the relevant provisions under national law applicable to the type of Joint-Stock Company or Limited Liability Company concerned. The clarification of this issue is also relevant in relation to the introduced concepts of 'shareholder' and 'book-entry shares', which do not lead to an explicit conclusion on the legal form of the new type of company. Clarifying the specificities of EU Inc. is particularly important in terms of legal predictability as well as the risks for retail investors of its admission to trading on a trading venue. FR (Comments): The French authorities are concerned about the impact of EU INC status on Member States' ability to establish specific rules for companies operating in the defence sector. In this regard, Article 103 appears to be particularly problematic (should Article 103(2)(b) be interpreted as merely establishing a principle of non-discrimination, or as prohibiting any authorisation requirement, even one that applies indiscriminately?). Could the Commission clarify this point and ensure that the application of the regulation must, in any event, be without prejudice to the application of any national legislation justified by the protection of Member States' essential security interests? NL (Comments): The Netherlands believes the hierarchy of norms that follows from article 4 is too unclear. It is not clear what norms (regulation, national law, articles of association) apply to EU Inc. companies and how they relate to each other. This affects other parts of the regulation too. This is undesirable for a number of reasons. One of them is that it leads to insecurity for companies

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	considering whether they should opt for the EU Inc. as legal form. The Netherlands is working on text suggestions for article 4. PT (Comments): In light of the objective of reducing fragmentation in the Single Market, it may be worth considering whether Article 4 and certain other provisions of the Proposal could be further developed. Several matters currently left to the articles of association or to national law might benefit from a more detailed framework at EU level. A more comprehensive set of common rules could enhance legal certainty, facilitate the operation of EU Inc. entities across borders, and reduce the need to rely on different national legal systems.
	NL (Drafting suggestions): Recital 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. This includes, in particular, national labour law, social security and collective agreements. NL (Comments): The Netherlands proposes an amendment of recital 6. In addition to a change of the general wording of article 4, it should be explicitly clear that EU Inc. companies are subject to national social security and labour laws and

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	collective bargaining agreements. The Netherlands believes this could be clarified in recital 6. PT (Comments): We have some concerns that the current approach may create incentives for forum shopping. While companies are free to choose the Member State of registration, the possibility of separating the registered office from the head office or principal place of business could raise questions regarding the link between the company and the jurisdiction in which it is established. It may therefore be useful to further examine whether the proposed framework provides sufficient safeguards to ensure a genuine connection with the Member State of registration and to avoid situations that could lead to the circumvention of national legal requirements.
1. EU Inc. companies shall be governed by this Regulation and by their articles of association which shall comply with this Regulation.	AT (Comments): • As confirmed by the CLS, **relying on Art. 114 TFEU as the legal basis for the EU Inc. is not legally sustainable**. Rather, Art. 50 could be invoked as the more specific legal basis, and a directive could be adopted on that basis. In AT's view, however, a regulation would be possible only on the basis of Art. 352. Those are two possible approaches but AT refuses to base such an important project on an inadequate legal foundation. • Moreover, Article 114(2) TFEU expressly excludes provisions relating to the **rights and interests of employed persons** from its scope; yet the proposal seeks to regulate such matters, or at least has a significant impact on them. • Furthermore, the proposal contains several provisions relating to tax law (e.g. a unified online form for applying for tax and VAT numbers, as well as rules on the taxation of warrants under the EU-ESO). Such **tax-related**

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	provisions cannot be addressed within a Regulation based on Art. 114 TFEU, which explicitly excludes fiscal provisions in para. 2. Measures of this nature would have to be discussed, if at all, in the Working Party on Tax Questions and adopted under the special legislative procedure pursuant to Art. 113 or Art. 115 TFEU, requiring unanimity; **AT**, however, is **opposed to the inclusion of tax provisions in the EU Inc. Regulation**. CZ (Drafting suggestions): 1. EU Inc. companies shall be governed by this Regulation and by their articles of association which shall comply with this Regulation **and, in matters not covered by this Regulation, relevant national law**. CZ (Comments): The relationship between this Regulation, the articles of association and national law is a central element of the regime. The current wording gives rise to significant interpretative uncertainty. In particular, it cannot be inferred that the articles may derogate from national law in areas not covered by this Regulation (including non-company law matters). The provision should be clarified to establish a clear hierarchy ensuring that national law prevails in non-harmonised areas. EE (Drafting suggestions): 1. EU Inc. companies shall be governed by this Regulation, **by national law** and by their articles of association which shall comply with this Regulation. EE (Comments):

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	The provision concerning the rules applicable to EU Inc. should include a more precise reference to Member State national law, in order to avoid a situation in which national law would be placed hierarchically below the EU Inc.'s articles of association. ES (Comments): Scrutiny reserve. Pending debate in Council to clarify the purpose or the interlink and interaction among all of them. FR (Drafting suggestions): **1. For company law matters, namely the legal provisions governing the rights and obligations of shareholders, the organization and operation of the company, its disclosure requirements, the issuance, repurchase, and cancellation of shares or securities by a company, as well as the amendment of the articles of association, financial and sustainability reporting, EU Inc. shall be governed by:** **- this Regulation,** **- its articles of association which shall comply with this regulation.** FR (Comments): France takes due note of the Commission's commitment (Working Party on Company Law, April 17th) to amend the drafting of Article 4 to specify that the Articles of association cannot take precedence on national law as a general principle. The aim of our drafting is 1) to clarify that the applicable subsidiary law is limited to corporate law and does not extend to other matters.

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	2) To clarify the matters that are covered by the Regulation 3) To ensure that the articles of association take precedence over national law in matters strictly related to company law (as defined in an Annex). LU (Drafting suggestions): EU Inc. companies shall be governed by this Regulation and, **for matters that are not covered by this Regulation, by national law including the provisions transposing Union law, which applies to the relevant national legal form designated in paragraph 3 in the Member State in which the EU Inc. has its registered office.** ~~**and by their articles of association which shall comply with this Regulation.**~~ LU (Comments): The articles of association must comply with national law, except for any provisions that would conflict with the Regulation. With regard to the interaction of the EU Inc. regime with sectoral legislation: • We note that there are several sector-specific EU and national rules applying to regulated activities that are of a prudential nature and are meant to protect investors, clients, creditors and overall financial stability. These legislations apply for example to credit institutions or investment firms. • Such rules normally provide for stricter requirements than the ones included in the proposal for the EU Inc. Regulation and typically include specific regimes on core matters, *e.g.*: o corporate substance, o governance, o composition of share capital and financial soundness

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	○ dissolution and liquidation, etc • Where those sectoral legislations are stricter or depart from the EU Inc. Regulation, they shall presumably prevail over the general rules provided in the EU Inc. Regulation. • However, this is unclear in the proposal and will raise a number of issues for regulators when confronted with regulated entities seeking to apply the 28th regime. • Accordingly, we see merits in clarifying it in the text. SK (Drafting suggestions): EU Inc. companies shall be governed by this Regulation. ~~and by their articles of association which shall comply with this Regulation.~~ Where expressly provided for by this Regulation, such matters may be governed by the articles of association SK (Comments): We believe further clarification is necessary (as the Commission also ascertained during the working party). We understand that the aim of the proposal is to provide companies with flexibility. We also understand that Member States are, to this extent, expected to accept deviations from its legal provisions. However, how should one approach a situation where the company's articles of association are in compliance with the regulation, but in another area that is mandatorily regulated under national law, they circumvent that regulation? We consider such circumvention of national rules to be problematic. The Commission indicated during the last meeting during the discussion on Article 4 that it would welcome further input on areas in which Member States

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	wouls apply their national law, given that the proposed Regulation appears to cover most aspects of corporate law. In this regard, th Slovak Republic would suggest, in particular, the following areas: • eligibility requirements for natural persons to act as directors, beyond formal disqualification criteria (e.g. restrictions related to insolvency or enforcement proceedings); • eligibility requirements for natural persons – shareholders • the subsidiary application of national civil law, including contractual provisions governing the position of directors • the interplay between company law and labour law, in particular whether a director may simultaneously act as an employee of the company • the possibility of granting a long-term general power of attorney in relation to the director or the board of directors. These and many other areas of company law would continue to be governed by national law and Slovakia would welcome a more in-depth discussion on the practical modalities of such coexistence. Having taken note of the remarks made by other Member States regarding the potential risk of forum shopping during the meeting, and with reference to Article 4 in conjunction with Article 9 and Article 103(2)(b), we wonder whether the proposal provides for sufficient safeguards against such risks. In particular, we would welcome clarification as to whether it ensures adequate requirements as regards transparency of beneficial ownership and effective supervision to prevent abusive practices. This is a horizontal issue, potentially affecting AML, tax evasion and avoidance, international sanctions and possibly the misuse of companies for criminal purposes.

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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.	AT (Comments): Art. 4 gives rise to a significant degree of legal uncertainty. In particular, it remains **unclear which matters the Regulation intends to regulate exhaustively and in which situations national law is meant to apply**. Furthermore, isolated explicit references to national law (e.g. Art. 44(4)) weaken the coherence of the general fallback rule. CZ (Drafting suggestions): 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. **Articles of association shall not be contrary to national law in matters not covered by this Regulation.** CZ (Comments): According to the Commission's explanations, EU Inc. is neither a "private" nor a "public" company, yet Member States are required to designate a comparable national legal form, potentially even differing forms for different matters. Such an approach raises significant complexity concerns. Leaving the designation entirely to Member States risks fragmentation, given the substantial differences between national private and public company regimes. Consider: • anchoring the designation in Annexes I and IIA to Directive (EU) 2017/1132; and/or • clarifying, for each relevant area, whether rules applicable to public or private companies should apply.

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	Furthermore, the number of provisions from which the articles may not derogate should be expanded to ensure a sufficient level of protection. The purpose of the wording "including the provisions transposing Union law" is unclear and only introduces ambiguity. National law transposing Union law is already part of national law; this addition does not provide any tangible benefit and should therefore be reconsidered or deleted. DK (Drafting suggestions): **Company law** 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. DK (Comments): DK notes that the Article should explicitly state that it applies solely to company law. EE (Drafting suggestions): 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. **Where this Regulation allows for discretion, Member States may, depending on the subject matter, determine whether the provisions applicable to private or public limited liability companies are to apply.** EE (Comments):

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	Estonia considers that the proposal should explicitly provide that Member States may, in matters not regulated by the Regulation, apply provisions of national law applicable to both private and public limited liability companies, in order to allow the combined nature of the EU Inc., as derived from the Regulation, to be reflected at national level. In Estonia, private and public limited companies are clearly distinguished and are regulated differently, which ensures legal certainty for shareholders and creditors. The rules that apply to them also differ (for example, rules on transaction formalities, management rights and capital requirements). In this context, Member States should be allowed to determine, depending on the subject matter (such as share transfers or default rules on representation), whether to apply rules from private or public limited company regimes. This approach would ensure that the hybrid nature of the EU Inc. does not create legal gaps, but instead allows the most suitable national rules to be applied under Article 4(3). ES (Comments): Scrutiny reserve. FI (Comments): FI: This provision should be limited to company law matters. During the Council Working Party, the Commission has assured that e.g. the terms of employment law will continue to be determined on the basis of the country of employment, but the Regulation does not provide sufficient guarantees for this. It must be ensured in the negotiations that the establishment of EU Inc. does not allow e.g. the rights of employees to be reduced.

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	We also note that it is quite radical if the articles of association have the power to generally supersede the applicable national law. A comparable provision in the Regulation on European Company (SE, Council Regulation (EC) No 2157/2001, Art. 9) is not as wide as the one in this proposal. The reference herein could be narrowed or deleted. FR (Drafting suggestions): **2. For company law matters as referred to in paragraph 1 that are not covered by this Regulation, the EU Inc. shall be governed by:** **- national law, including the provisions transposing Union law, which apply to the relevant national legal forms in the Member State in which the EU Inc. is registered;** **- its articles of association, even though they are inconsistent with one or more provision of national law, provided that they concern matters listed in Annex I.** FR (Comments): Annex I should list matters of company law on which the articles of association take precedence over national law. This will allow for a harmonised interpretation of the partners' intent. These could include the terms of a non-compete clause or a forced buyout clause between partners. We are open to discussing the content of this list with other Member States LU (Drafting suggestions): 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

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	Member State in which the EU Inc. has its registered office. **This Regulation shall be without prejudice to Union or national law applicable to entities operating in the financial sector including but not limited to financial sector entities, as defined under article 4, paragraph 1, sub-paragraph (27), of Regulation (EU) No 575/2013, undertakings for collective investment in transferable securities ("UCITS") authorised in accordance with Article 5 of Directive 2009/65/EC , alternative investment funds ("AIFs") as defined in point (a) of Article 4(1) of Directive 2011/61/EU, UCITS management companies as defined in point (b) of Article 2(1) of Directive 2009/65/EC and investment companies authorised in accordance with Directive 2009/65/EC which have not designated a management company authorised under that Directive for its management, and alternative investment fund managers ("AIFMs") as defined in point (b) of Article 4(1) of Directive 2011/61/EU.** LV (Comments): Latvia considers that Article 4 does not sufficiently clarify whether national law may apply only to matters that are not addressed in the Regulation at all, or whether national law may also supplement the Regulation in situations where a particular matter is regulated only partially. If this boundary is not clearly defined, there is a significant risk that divergent practices will emerge across Member States and that the Regulation will not be applied uniformly. MT (Drafting suggestions): It is suggested that the following be added: "**Nothing in this Regulation shall affect the application of national labour law, employment protection, wage regulation, occupational safety and health, social-security obligations, collective bargaining arrangements,**

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	worker representation, labour inspection powers, or enforcement mechanisms.” MT (Comments): Article 4 refers broadly to national law but does not expressly preserve employment law, industrial relations law, occupational health and safety, wage law, social-security obligations, labour inspection powers, collective bargaining or worker-representation rules. Employment needs to remain a Member State compliance and remain out of scope of this proposal. SE (Drafting suggestions): 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. This paragraph shall apply without prejudice to article 1. SE (Comments): The provision states that an EU Inc. company shall be governed by the regulation and by their articles of associations. In matters not covered by the regulation or by the articles of association, national law, which apply to relevant national legal forms in the Member State, in which the EU Inc. has its registered office, shall apply also to the EU Inc. companies. According to SE this provision raises the question whether the EU Inc. is to be considered as a private limited liability company or a public limited liability company. This is an important aspect when it comes to decide which national law is to be applied, since many Member States have different rules

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	for private and public limited liability companies. It would be unfortunate if EU Inc. companies were treated as private limited companies in some Member States and public limited liability companies in other Member States. It would risk creating uncertainties and costs for companies and also reduce the predictability of the legal framework. It would mean an actual risk of further fragmentation on the Single Market, which would be completely opposite to the aim of the regulation, which is to reduce fragmentation and enhance predictability for European businesses. Regarding our deletion of the reference to the articles of association in art. 4.2, we want it to stand clear that the articles of association must not take presence over national law. To let the articles of association take precedence over national law would create further fragmentation, as there would not be 27 versions of EU Inc. but as many versions as there are EU Inc. companies. Furthermore, it would create uncertainty for investors, shareholders and creditors. Furthermore, in relation to our suggestion in article 1 (page 4), for the purpose of avoiding legal uncertainty, it is important to clarify that the proposal does not impede or alter the application of international or national legal rules falling outside the scope of the proposal, such as individual and collective labour law matters, including the fundamental principle that in general the law of the country where the work is carried out should apply. SK (Drafting suggestions): 2. Matters that are not covered by this Regulation ~~or by the articles of association~~ shall be governed by the mandatory provisions of 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.

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	ES (Drafting suggestions): **2a. This Regulation does not affect Union or national employment law. Regulation (EC) 593/2008 of the European Parliament and of the Council applies to individual employment relationships involving an EU Inc. company. Where an EU Inc. posts workers to the territory of another Member State in the framework of the transnational provision of services, Directives 96/71/EC and 2014/67/EU shall apply.** **Likewise, the Union legal framework regarding the information and consultation of employees, including Directive 2002/14/EC and Directive 2009/38/EC of the European Parliament and of the Council, as well as Council Directive 2001/23/EC and Council Directive 98/59/EC, should also apply to EU Inc. companies where appropriate**. ES (Comments): This provision strengthens legal certainty and clarifies the relationship between the EU Inc. corporate framework and the **existing Union labour acquis.** The wording reflects principles already recognised in Recitals 16, 18 and 83, without altering the overall architecture of the proposal. This clarification is particularly relevant in light of Article 4.2, which provides that matters not that are not covered by this Regulation shall be governed by national law in the Member State in which the EU Inc. has its registered office. The proposed paragraphs enhance legal certainty by expressly confirming that the choice of the registered office and the use of the EU Inc. legal form do not

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	affect the application of Union or national employment law. They thereby contribute to the consistent application of the existing labour acquis across the Union and help prevent divergent interpretations and unintended gaps in workers' rights. While the applicability of Regulation (EC) No 593/2008 (Rome I) is already recognised in Recital 16, reflecting this principle in the operative provisions of the Regulation would further enhance legal certainty as regards the interaction between the EU Inc. framework and the existing rules on the law applicable to contractual obligations. In addition, as the EU Inc. is intended to facilitate cross-border business activities within the internal market, it is important to clarify that the existing EU framework on the posting of workers, namely Directive 96/71/EC concerning the posting of workers in the framework of the provision of services, and Directive 2014/67/EU on the enforcement of Directive 96/71/EC, remain fully applicable. Lastly, the references to Directives 2002/14/EC, 2009/38/EC, 2001/23/EC and 98/59/EC reflect, in the operative provisions, the principles already recognised in Recital 18 and ensure a coherent interaction between the EU Inc. framework and the existing Union rules on information and consultation of workers.
3. Member States shall designate the relevant national legal form referred to under paragraph 2, the provisions of which apply to EU Inc. companies.	AT (Comments): • It remains unclear according to which criteria Member States are expected to **identify the relevant national legal form**. In light of Art. 60, which allows an EU Inc. to be admitted to trading on an MTF or, potentially, on a regulated market, not only the choice of a limited liability company but also that of a stock corporation could be considered.

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Commission proposal	Drafting suggestions and Comments
	• AT understood the Commission's explanations to mean that subsidiarily applicable national law may derive from different domestic company law forms depending on the subject matter. This understanding does not appear to be reflected in the current wording of Art. 4(3), which refers to "*the*" relevant national legal form in the singular. • Clarification is requested as to whether the subsidiarily applicable national law may change during the lifecycle of an EU Inc., for example depending on whether its shares are traded on an MTF or on a regulated market. • Clarification is requested as to how Member States are expected to "***designate***" the relevant national legal form. CZ (Comments): See above for paragraph 2. We would propose further harmonisation in this regard. ES (Comments): Scrutiny reserve. HR (Comments): HR If Member States shall designate the relevant national legal form, this might mean that EU Inc. is going to be only a modification of the certain national legal form, i.e. that this Regulation does not create a new (harmonised) legal form of a limited liability company, as prescribed in Article1, point (a) of this Regulation. It is good to consider whether this provision is necessary.

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Commission proposal	Drafting suggestions and Comments
	SI (Comments): Leaving the decision to the Member States means that the fragmentation of rules in the area of company law will not be fully eliminated. We propose that the national form of a company be specified in the regulation.
	MT (Drafting suggestions): To add a new sub-article (4): **National courts and business registers shall remain the competent authorities for interpretation, enforcement, and evidentiary purposes relating to EU Inc. entities registered in their jurisdiction.** MT (Comments): Legal clarity is required regarding enforcement. National courts and business registers are to remain the competent authorities for interpretation, enforcement, and evidentiary purposes relating to EU Inc. entities registered in their jurisdiction. Malta considers it essential that national courts and authorities remain the ultimate enforcement bodies to preserve legal certainty, regulatory integrity and the overall resilience of its company law framework.
Article 5 **Legal personality**	

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Commission proposal	Drafting suggestions and Comments
1. An EU Inc. company shall be registered in the business register of the Member State chosen for its registered office.	FR (Comments): The Court accepted that founders could choose to incorporate a company in a Member State whose company law is more flexible, while carrying on their principal activity in another Member State. This freedom is, however, anchored in the choice between different national corporate forms. Within the framework of the 28th regime, this dimension disappears, as the corporate form is uniform, which reinforces the risk that the choice of State of incorporation will pursue almost exclusively objectives of fiscal or social arbitrage. The Court recalled that freedom of establishment is intended to enable genuine participation in the economic life of another Member State. It accepted that States may refuse the benefits attached to that freedom where arrangements are put in place solely for the purpose of benefiting from a more favorable regime and are devoid of economic substance. To assess abuse, a concrete examination of the activity, structure and resources deployed is required. So it can not be accepted that the created company has no substance in any MS and that the statutory seat as wells as any branch are devoid of economic substance. It must be a condition that the company has a substance somewhere in the EU. PT (Comments): We believe that the registered office must be genuine and effective, rather than merely a statutory one. It is important to prevent the exploitation of this legal form to establish companies that operate in one jurisdiction while artificially claiming their registered office in another Member State, based on the jurisdiction that offers more favourable tax or labour law conditions.

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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.	LV (Comments): The wording of Article 92(3) and Article 102(2) should be aligned with the fundamental principle set out in Article 5 that an EU Inc. has legal personality. In their current wording, those provisions are formulated as if an EU Inc. innovative startup could, in certain cases, also be an entity without legal personality. This is not internally consistent and creates legal uncertainty as regards the scope of the Regulation.
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.	CZ (Drafting suggestions): 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 **within 3 months** after its registration, the natural and legal persons which performed those acts shall, without limit, be jointly and severally liable therefor~~, unless otherwise agreed~~. CZ (Comments): The inclusion of the wording “unless otherwise agreed” may create legal uncertainty. For the protection of third parties, a clearly identifiable person must remain liable for acts carried out prior to registration. This should be mandatory and not subject to derogation by shareholder agreement or by the articles of association. Also, a clear time frame should be established to ensure legal certainty for creditors. ES (Drafting suggestions):

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	"~~**unless otherwise agreed"**~~ ES (Comments): If an agreement against the joint and several liability of persons (natural or legal) who have performed acts on behalf of the EU Inc is accepted and the EU Inc does not assume the obligations arising from those acts, the contractors with those persons would be unprotected. If it is not possible to delete such a sub-paragraph, it should be clarified what type of liability is payable. SI (Drafting suggestions): 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 therefore,~~, unless otherwise agreed.~~ SI (Comments): We are concerned that natural or legal persons who could fulfil the obligation might evade it. SK (Drafting suggestions): We would welcome clarification of the wording "unless otherwise agreed" as regards the liability of persons who performed acts on behalf of the EU Inc. prior to its registration. We understand this is standard wording under directive (EU) 2017/1132. However, in connection to current wording of Article 4, this raises further questions.

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Commission proposal	Drafting suggestions and Comments
Article 6 ***Name of the EU Inc. company and of its branch***	EE (Comments): Article should be supplemented with a provision prohibiting the use of the name of a Member State or of a local or regional authority, as well as with provisions on trademark protection. The Article should also be complemented with rules applicable in situations where the Business Registers Interconnection System (BRIS) is unable to support the formation of an EU Inc. This should include the provision of alternative arrangements where BRIS is temporarily unavailable or not fully operational. In particular, it should be possible to continue the formation procedure through national registers, to adapt procedural time limits, and to ensure clarity as regards the transmission of data and the legal continuity of the procedure in the event of technical failures of BRIS. PT (Comments): Further clarification is needed regarding the registration and naming regime for EU Inc. companies. In particular, it should be clarified whether the registration system will be interconnected with national business registers or will rely exclusively on the European trade mark system. The proposal should also specify the criteria for assessing similarity between company names, the degree of similarity that will be acceptable, and the safeguards available to prevent conflicts. In addition, it should be clarified whether national companies will enjoy the same rights and standing as EU Inc. entities in proceedings relating to potentially conflicting company names. These elements are essential to ensure legal certainty and the effective protection of existing company names and business identities.

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Commission proposal	Drafting suggestions and Comments
	SE (Drafting suggestions): We suggest deletion of the last sentence in Recital 8: ("~~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.~~"). In addition, we propose that the following sentence should be added to Recital 8: "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, such as enforcement actions from a holder of an existing or future trade mark or national company name. SE (Comments): Our understanding is that the company registration does not confer any rights linked to the name.
1. The name of the company shall comply with the following:	AT (Comments): AT understood the Commission's explanations to mean that the criteria listed in para. 1 are exhaustive. HR (Comments): HR Add in par.1.a) "*be followed by legal form* and by the mention "EU Inc"". HR Article 6. doesn't determine that a legal form should be a part of the name of the company, so in practice this could be interpreted that the company name needs no determination of a legal form, and that EU Inc. in the company name

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	suffices. It should be clearly marked what legal form an EU Inc. company has, and this should be visible in the name of the company. Annex-minimum content of the Articles of association of an EU inc. company, clearly refers that the legal form is a part of minimum content. Legal form can be visible in business register as a separate information, but it should also be a part of company name, for example: XY EU Inc. društvo s ograničenom odgovornošću (in Croatia) or XY EU Inc. Gesellschaft mit beschränkter Haftung (in Austria) or XY EU Inc. Société par Actions Simplifiée (in France).
(a) be followed by the mention 'EU Inc.';	
(b) fulfil the function of a name;	LT (Comments): Article 6(1)(b) of the Proposal requires that the name of the EU Inc. company fulfil the function of a name. LT notes that this criterion is not further defined in the Proposal and that it is unclear what circumstances would or would not satisfy it. In the interest of legal certainty and uniform application of the Regulation, LT suggests that Article 6(1)(b) be supplemented with further guidance on the conditions under which a name is considered to fulfil, or not to fulfil, the function of a name. Furthermore, it is unclear whether compliance with this criterion is to be assessed under national law or whether it is intended to be defined autonomously at Union level. LT suggests that this question be clarified in the Proposal. SK (Drafting suggestions): We consider this to be very vague. We would prefer not to have this obligation as it, in practice, impossible to assess when registering a company.

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Commission proposal	Drafting suggestions and Comments
(c) not mislead the public, in particular as to the nature of its business activities;	LU (Drafting suggestions): (c) not **manifestly** mislead the public, in particular as to the nature of its business activities; LU (Comments): LU stresses that this matter is not subject to legality control under national law and therefore suggests adding this qualifier.
(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').	AT (Comments): Art. 6(1)(e) appears very strict and **potentially overly far-reaching**. The effectiveness of this requirement also appears limited, as the assessment carried out through BRIS only ensures compliance at the time of incorporation of the EU Inc. The criterion may subsequently cease to be fulfilled if a company with a similar name is later incorporated under a national legal form, as national company name rules would continue to apply. HR (Drafting suggestions): HR This paragraph requires further clarification and precise definition-more in comments. HR

Commission proposal	Drafting suggestions and Comments
	(Comments): HR This requires a functional interoperability, so it it is necessary to establish criteria for checking the company name. It would be good to solve how is the automatic process of checking the similarity in company name going to recognize if for example company name in Bulgarian or Greek language is the same as the company name in Croatian or German-interpretation needed. Not all the companies in national registers have registered translation of company name-it is not obligatory. HU (Drafting suggestions): be ~~sufficiently different~~ **clearly distinguishable** 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'). HU (Comments): For addressing vagueness LT (Comments): The Proposal requires that the name of an EU Inc. company sufficiently differs from existing company names available through BRIS and is not identical or similar to a registered trade mark. At the same time, the Proposal provides for automatic verification of the proposed name through the EU central interface or, in the case of Article 18, at the level of the national business register. LT considers that the criteria used – "sufficiently differs" and "similar" – are evaluative in nature and difficult to apply in an automated process. Without further specification, these criteria may be interpreted differently across Member States, which would undermine uniform application of the

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	Regulation. LT therefore suggests introducing more precise rules clarifying how these criteria are to be assessed – uniform criteria and implementing rules could be established in the Proposal to ensure consistent application of the requirement across all Member States. As an alternative, the requirement to verify compliance with Article 6(1)(e) could be removed from the scope of the preventive control carried out under Article 14 of the Proposal, so as to avoid divergent national practices in the assessment of name distinctiveness. LU (Comments): Can COM confirm whether the central interface will include this verification? LV (Comments): Regarding the name verification, the wording “sufficiently different” is not sufficiently clear, as it is not understandable whether it refers only to the prohibition of identical names or also provides for the assessment of similarity. If an assessment of similarity is also intended, we request that clear and uniform criteria be established, taking into account the differing approaches among Member States in name assessment and the use of different writing systems. We also draw attention to practical application issues – it is not clear how situations will be prevented where an identical name is simultaneously submitted for registration in several Member States. There is no mechanism by which the business register can verify whether an identical application for EU Inc. registration has been submitted in another Member State at the same time, nor which of them should be considered as having priority. Such situations could particularly arise where an application is submitted directly to a national register rather than through a central interface. Likewise, no consequences are defined in cases where such a conflict is identified after

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	registration. In view of this, a centralized name reservation or registration system at EU level should be considered. PT (Comments): This criterion of sufficiency should be clarified and further specified. What does it mean for a company name to be sufficiently different? It should be noted that, in addition to company names and business names being truthful and not misleading as to the identity, nature or activities of their holder, and not suggesting activities other than those covered by the company's corporate purpose, they must also be distinctive and not liable to cause confusion or error. This assessment of distinctiveness and the absence of a likelihood of confusion or error should take into account the type of legal entity, its domicile or registered office, the similarity or proximity of its activities, and the territorial scope of those activities SK (Drafting suggestions): We consider the obligation to differ the name from another company with a different legal form to be overly extensive - with respect to the same legal form, such a requirement is certainly justified, and we fully support verification through BRIS.
	EE (Drafting suggestions): **(f) not include or make use of the name of any Member State or of a local or regional authority, and** **(g) be in accordance with applicable rules on trademark protection;**

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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.	BG (Comments): Article 7 para. 2, we consider it unacceptable to include in the Annex the requirement of zero capital of EU Inc. The rules on the capital of the company should be regulated in the main part of the Regulation. We are also of the opinion that the EUR 0 capital carries many risks in terms of creditor protection, money laundering, tax fraud, etc. Given the difference between EU Inc. and national limited liability companies (LLCs), namely that EU Inc. is a limited liability company with shares, we consider that EUR 1 capital is also not sufficient to prevent its use for criminal purposes. In addition to the above, it is stressed that according to the guidance to Recommendation 24, the FATF considers the amount of capital as an indirect indicator of risk and in particular the low capital requirements for company registration (EU Inc can be set up with zero initial capital), as a risk factor that can facilitate the use of commercial companies for criminal schemes. DK (Comments): DK has concerns regarding preamble 8 to this provision, and the connection to EUIPO. In that regard DK notes that each interconnection of registers will entail costs for Member States, and it is therefore important that the choices made regarding IT requirements and interconnections provide real value to businesses as well as to authorities in terms of control or similar benefits. In DK we only check for identical names in the business register, not for confusing similarity. If a person finds that their rights have been infringed, this is handled as a civil matter in the courts, and hardly any such cases are brought in Denmark. DK therefore proposes that the following is deleted from preamble 8;

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	" 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." *Registreringsflow i MS – det skal tydeliggøres, at det ikke er knyttet op på national.*
3. A branch of an EU Inc. company shall have the name of that company which may be completed by the branch indication.	CZ (Drafting suggestions): 3. A branch of an EU Inc. company shall have the name of that company which ~~may~~ **shall** be completed by the branch indication. CZ (Comments): The name of the branch should not be the same as the EU Inc. It should be obligatory to indicate that it is a branch. FR (Drafting suggestions): A branch of an EU Inc. company shall have the name of that company which **shall** be completed by the branch indication. FR

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	(Comments): France takes due note of the Commission's commitment (Working Party on Company Law, April 17th) to amend the drafting of Article 6 to replace "may be" with "shall". HU (Drafting suggestions): A branch of an EU Inc. company shall have the name of that company which ~~may~~ **shall** be completed by the branch indication. HU (Comments): Necessary to ensure that the entity is clearly identified as a branch rather than a separate subsidiary or the parent company itself. LT (Drafting suggestions): A branch of an EU Inc. company shall have the name of that company ~~which may be~~ completed by the branch indication. LT (Comments): In the interest of clarity and legal certainty, LT suggests that para 3 of Article 6 be amended to require that the name of a branch must always be completed by the branch indication. This would ensure unambiguous identification of the entity and avoid potential confusion for third parties. LV (Drafting suggestions):

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	A branch of an EU Inc. company shall have the name of that company which ~~may~~ **has to be** completed by the branch indication. LV (Comments): The current provides that the inclusion of the word "branch" in the name of an EU Inc. branch is not mandatory. We note that, in Latvia's view, a branch must be clearly identifiable and distinguishable from the parent company. If both the branch and the EU Inc. are registered under identical names without including the designation "branch," users of the register would not be able to clearly distinguish the legal entity concerned from its branch. In light of the above, we consider it necessary to amend paragraph 3 of the Article by establishing a mandatory requirement to include the designation "branch" in the branch's name. PT (Comments): We would appreciate confirmation as to whether the expression 'may be' indicates a mere possibility, implying that branches might not necessarily be identified as such.
4. Member States shall not apply rules that unduly interfere with the lawful registration and use of that name throughout the Union.	AT (Comments): Further clarification is requested under which circumstances a national rule would be considered to interfere "*unduly*". HR (Comments): HR "Unduly interfere"-what is that for criteria, clarification necessary.

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Commission proposal	Drafting suggestions and Comments
	PT (Comments): It remains unclear whether the registration of an EU Inc is to be considered 'priority'. If the proposed company name is already in use, we would welcome clarification on whether the registration would proceed or be suspended until a new name is selected.
	ES (Drafting suggestions): We suggest to add Article 6(5) (new): "For the purposes of this Article, business registers shall provide suggestions for company names that are not in use by existing companies. The European Commission, in collaboration with the business registers, shall develop this 'pool of company names' so that it can be consulted via BRIS before submitting an application. ES (Comments): The amendment aims to prevent the creation of EU Inc. companies with the same or similar names, and the problems that this entails. This amendment proposes to build on the existing good practice in Spain with the 'name pool' and integrate it into the BRIS system. The proposed model involves business registers compiling lists of unused names and submitting them to a specific section of BRIS for this purpose, allowing a company name to be selected after consulting BRIS at the time the application is submitted. In this way, the registrar responsible for verifying the legality of the incorporation will be certain that the company name is perfectly valid and not currently in use. SE (Drafting suggestions):

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	5. The registration of an EU Inc. company name shall not prevent the use or registration of a trade mark or national company name. SE (Comments): Proposed new paragraph in order to clarify that EU Inc company names does not confer any rights in relation to trade mark laws or national company name laws.
Article 7 ***Articles of association***	HR (Comments): HR One practical issue that should be addressed in Articles of association is how in case of an EU Inc. with non-par value shares, voting rights are going to be exercised, does the Article 57. par.1. of the proposal applies: "one share shall always carry one vote unless otherwise provided in the articles of association"?
1. An EU Inc. shall have articles of association.	AT (Comments): In some cases, the Regulation uses the term "*EU Inc.*", while in others uses "*EU Inc. companies*". This should be **standardised**.
2. The articles of association shall cover at least the matters laid down in this Regulation, as specified in the Annex.	AT (Comments): It is unclear why the **minimum content of the articles of association** is set out in an annex rather than in the **operative part of the Regulation**.

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	FR (Drafting suggestions): 2. The articles of association shall cover at least the matters laid down in this Regulation, ~~as specified in the Annex~~ FR (Comments): To specify the scope of the freedom to draft the articles of association HR (Drafting suggestions): HR The shareholders identities should be put in a minimum content of the Articles of association. The identity of sole member is not enough. HR (Comments): HR Information on all the company members should be publicly available in the business register. This is important for transparency among entrepreneurs and public, so they can check who are members of the company they are doing business with. Croatia had similar system, but since 2010. identity of all the members of the limited liability company and simple limited liability company are publicly available. SK (Drafting suggestions): Regarding the content of the memorandum of association, we believe it is necessary to include also the indication of the administrator of the capital contribution in case the company is to be formed with capital.

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3. The articles of association shall be digital, machine-readable and shall store information as structured data.	AT (Comments): The use of the term "*store*" appears unusual in this context. A different term, such as "*contain*", may be more appropriate. PL (Comments): This provision requires that the articles of association be drawn up in a machine-readable format. A problem arises in meeting this requirement when a company enters into a non-standard agreement, such as a notarized deed, which under national law is not drawn up in a machine-readable format. Complying with this requirement in such a situation would require additional technical modifications. PT (Comments): We also consider that it should be clarified whether the articles of association will be filed with the commercial register and whether the relevant information will also be communicated to the register in a structured format. SI (Comments): Can an article of association be automated, in particular based on AI and smart contracts?
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).	HR (Drafting suggestions): HR Criteria: language of the MS of registration is clear but the other language "customary in the sphere"….should be more precise.

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	HR (Comments): HR European Securities and Market Authority uses such formulation: "Where an offer of securities to the public is made or admission to trading on a regulated market is sought only in the home Member State, the prospectus shall be drawn up either in a language accepted by the competent authority of the home Member State or in a language customary in the sphere of international finance, at the choice of the issuer, the offeror or the person asking for admission to trading on a regulated market." In company law it would be better to have specific regulation in this "language" context. MT (Drafting suggestions): To add the following proviso: **Provided that in case of discrepancies between language versions, the version filed with the national business register shall prevail in judicial and administrative proceedings.** MT (Comments): Malta suggests that while English filings are welcomed to enhance competitiveness, the regulation must clarify that in the event of a dispute before national courts, the version registered with the national registry remains the governing document. PL (Comments): The draft should use precise language. The use of vague terms, such as "a language customary in the sphere of international business and finance" (Article 7(4) and (5) of the draft) and "innovative enterprises" (Article 88 of

Commission proposal	Drafting suggestions and Comments
	the draft), will hinder the uniform application of the provisions of the regulation and the functioning of the EU Inc. in all Member States.
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.	LU (Drafting suggestions): 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.**~~ **In cases of discrepancy between the articles of association in the official languages of the register and its version in a language customary in the sphere of international business and finance, the latter may not be relied upon as against third parties. Third parties may nevertheless rely on the translations voluntarily disclosed, unless the company proves that the third parties had knowledge of the version which was the subject of the compulsory disclosure.** LU (Comments): LU stresses that (i) giving the same legal value to two different versions of the standard articles of association will inevitably lead to difficulties of interpretation in practice and (ii) that it is contradictory to hold the EU Inc. liable toward third parties in case of discrepancy in the language versions when it is not given the option to choose which of these versions prevails. LU suggests harmonising this disposition with article 21 paragraph 4 of Directive 2017/1132.
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.	LU (Drafting suggestions):

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	~~**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.**~~ LU (Comments): To be deleted in view of new paragraph 5.
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.	LU (Drafting suggestions): ~~**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.**~~ LU (Comments): To be deleted in view of new paragraph 5.
Article 8 ***EU templates for standard articles of association***	DK (Comments): DK requests that the Commission provide a draft of the articles of association at the earliest opportunity, as this would facilitate a more informed discussion of the proposal. EE (Comments):

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	The tandard articles of association should be developed with a sufficient level of precision and detail, avoiding excessive simplification. It is also important that an appropriate scrutiny procedure be provided for the adoption of the implementing acts, allowing Member States to contribute substantively and facilitating the development of solutions that take into account the specific features of different legal systems as well as the actual needs of businesses. Excessive generality may lead to a situation where the standard articles of association are not usable in practice and fail to fulfil their objective of providing a clear and workable solution. In this context, it should be taken into account that start-ups and scale-ups in particular typically rely on diverse and flexible capital and governance structures, including different classes of shares, investor protection mechanisms and option schemes. An overly general approach may limit the ability to reflect commonly used financing instruments and investor protection mechanisms, which may render the standard articles insufficient for cross-border financing transactions and reduce the attractiveness of the EU Inc. company form. FI (Comments): FI: Draft of the Articles of Association by the Commission would facilitate a more informed discussion in the Council Working Party. NL (Comments): In order for the Member States to be able to assess how the EU Inc. will work in practice, it is necessary to know what the EU templates for the standard articles of association will look like. The Netherlands think it is undesirable that MS will not be able to have a say on the content of the standard articles of association.

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	PT (Comments): The templates are the "core" of the fast-track procedure. To be safeguarded: **(i)** the templates should be sufficiently detailed and accompanied by optional model clauses, linked to Article 7, so as to cover typical financing scenarios; **(ii)** it should be ensured that the use of pre-approved optional clauses does not cause the company to fall within the slower and more costly procedure under Article 17; and **(iii)** the templates should be made available in all official languages with equal legal value, thereby preventing issues concerning the precedence of the national-language version in the event of discrepancies, linked to Article 14
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.	ES (Comments): Scrutiny reserve, pending debate on article 4.
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***	ES (Comments):

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	Scrutiny reserve. The lack of a reasonable point of connection between the place of registration and the place where the company's main activity or management centre is carried out may lead to the application of rules that are completely disconnected from the social reality without even knowing the justification for the measure. Pending debate on this approach in the Coucil. PT (Comments): The proposal requires EU Inc. to have its registered office in a Member State and its central administration or principal place of business in the Union but does not require territorial coincidence between those elements. At the same time, it refers to accounting treatment according to the law of the Member State of the registered office. This creates a systemic ambiguity: the text does not expressly resolve the connecting factors between the registered office, the place where the activity is actually carried out, the effective taxation of that activity, and the possible existence of permanent establishments in other Member States. This is critical: the choice of Member State of registration will be influenced by tax considerations, but the instrument does not clarify whether that choice is relevant for tax purposes where the real activity is carried out in another territory, nor does it address the relationship with transfer pricing rules, cross-border allocation of profits or taxation of permanent establishments.
	FR (Drafting suggestions): **3. When registering the company or a branch in the relevant register, Member States may adopt any appropriate measures to ensure that, in accordance with paragraph 1, the central administration or principal place of business of the company is situated in the Union and that at least the majority of the directors actually resides within the Union. They may also take any appropriate measures to prevent or penalise fraud where it**

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	is established that the company or its members are seeking to evade their obligations in the territory of the Member State concerned by means of the formation of a company or branches. FR (Comments): To ensure effectiveness of paragraph 1. Clarification with art. 14 is needed. It is also necessary to reaffirm the right of Member States to combat fraud or forum shopping, in accordance with the Court's established case law. This is directly inspired by Judgment of the Court of 9 March 1999. - Centros Ltd, §38. Proper and consistent modification should also be added to recital 11. We suggest this wording for the recital, to be strictly compliant to EU Court case law. "*Each EU Inc. company should be subject, like any other undertaking in the Union, to the fundamental freedoms, and in particular to the case-law of the Court of Justice of the European Union on freedom of establishment, which is intended to enable genuine and effective participation in the economic life of a Member State. Accordingly, an EU Inc. company may be incorporated in any Member State, provided that the Member State of registration hosts at least one effective establishment, understood as a stable organisation of human and material resources, or genuine and significant economic activity. The central administration of the EU Inc. company may be situated in a Member State different from that of the registered office, in accordance with the Court's case-law, provided that the requirements of Article 9 are complied with and verified by the competent authorities both at the time of incorporation and thereafter. This Regulation shall not affect the right of Member States to adopt or apply, in compliance with Union law, measures that are necessary and proportionate to prevent and sanction fraud, tax evasion, purely artificial arrangements and abuses of rights, in particular in tax and social matters, in accordance with the case-law of the Court of Justice. All Member States shall recognise the legal capacity of an EU Inc.*

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	company lawfully incorporated in another Member State, without prejudice to the application of such measures". PT (Comments): We maintain the view that there is a risk of forum shopping – the company may not operate in the country of registration and may be chosen for more favourable tax matters. Since the tax law is the law of the registered office, even if the activity of the company is not in the same MS, this will allow the choice of MS according to the most favorable tax treatment.
1. An EU Inc. shall have its registered office and its central administration or principal place of business in the Union.	AT (Comments): AT views a **separation between the registered office and the real seat critically**, as such a mechanism may enable forum shopping. At the same time, any assessment of this issue must take into account the freedoms protected under the freedom of establishment. The relevance of this issue is illustrated, inter alia, by the rules on employee participation, which will be addressed further under Art. 12. LU (Comments): Read in conjunction with article 4, LU has a reserve on this article, in particular regarding its practical impact and the risk of regulatory arbitrage. SE (Comments): There is a risk of forum shopping and thus a circumvention of legislation if an EU Inc.-company cannot be required to have its central administration or principal place of business in the same Member State as where it has its registered office. It may result in companies choosing to register in a

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	Member State with favourable tax rules or weaker labour laws, but with the intention of conducting the business elsewhere. The registered office and the principal place of business should therefore be the same, which should be clarified in recital 11. SI (Comments): Does the term "principal place of business" refer to the location where the majority of production or services takes place?
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.	LU (Drafting suggestions): 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 21**.
	MT (Drafting suggestions): 3. **The choice of the Member State of registration of an EU Inc. shall be without prejudice to employment, taxation and insolvency law which shall continue to be governed by the applicable rules of national and international law.** MT (Comments): Malta believes that a specific paragraph should be inserted, namely paragraph 3.It should clarify that the law applicable to employment, taxation and insolvency remains determined by the place of habitual work and relevant national and international law, not merely by the registered office.

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Article 10 ***Principle of digital-only procedures***	PT (Comments): We welcome this principle of the Digital-only principle: To be safeguarded: effective interoperability between national systems and the European infrastructure must be ensured, and "fragmented" digitalization - with registration, articles of association, tax identification numbers and social security matters handled through separate channels - should be avoided, so as not to penalize startups and scaleups.
1. Member States shall ensure that all procedures within the scope of this Regulation may be carried out exclusively fully online.	AT (Comments): AT assumes that this provision relates to proceedings between EU Inc. (or the company currently being incorporated) on the one hand, and the EU interface or the competent registration authorities on the other. Clarification is required on the precise **scope of "*all procedures*"** (e.g. whether this extends to the service of documents). AT notes that digital-only systems already exist at national level; however, their effective operation generally presupposes, at least to some extent, the active participation of the persons concerned, for example by accessing the relevant digital services or providing the necessary information through the designated channels. We assume that this is consistent with the provision. LU (Drafting suggestions): 1. Member States shall ensure that all procedures within the scope of this Regulation may be carried out ~~**exclusively**~~ fully online. LU (Comments):

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	LU would like the Commission to confirm that Member States may still offer a paper-based process, in addition to the fully digital process, at the option of the EU Inc. LU suggests deleting "exclusively" to allow paper-based process if the EU Inc. so chooses. MT (Drafting suggestions): To include the following proviso: **Provided that Member States shall ensure that competent authorities retain the right to require physical intervention or additional verification in duly justified cases, including risks related to identity fraud, AML concerns, or legal capacity.** MT (Comments): Over-reliance on fully automated procedures is of concern. Member States shall ensure that competent authorities retain the right to require physical intervention or additional verification in duly justified cases, including risks related to identity fraud, AML concerns, or legal capacity SK (Drafting suggestions): We consider wording "all procedures within the scope of this regulation" to be rather extensive. We believe the provision could be drafted in a more explanatory way.
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	AT (Comments):

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association or in any agreement between an EU Inc. company and a shareholder.	The requirement that all communications between the EU Inc and its shareholders be carried out fully online constitutes a far-reaching organisational obligation directed at the company itself. Further clarification is needed regarding the **legal consequences of non-compliance** with para. 2, whether arising from a breach of the obligation or from technical malfunctions. LU (Drafting suggestions): 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**, subscriber or a purchaser of shares**. PL (Comments): As a general rule, digitization and electronic communication should be utilized to the fullest extent possible, both when establishing a company and determining its legal form, as well as during its operations. It should be noted that certain solutions proposed in this regard go too far (are too stringent). For example, the proposed Article 10(2) of the draft provides that communication between the company and its shareholders shall take place exclusively online, unless the articles of association or any agreement between the company and a shareholder provides otherwise. This proposal is worded in such a way that it forces the company to adopt appropriate provisions in its articles of association to allow for the use of other communication channels. It seems that in this regard, the company should be given greater flexibility and regulatory freedom.
3. By way of derogation from paragraph 1, in exceptional circumstances, where duly justified by overriding reason in the public	EE

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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.	(Comments): Estonia considers that, with regard both to the provision allowing for the requirement of physical presence in exceptional cases and to the provision on preventive controls, the text of the proposal should ensure that Member States retain the possibility to fully automate the fast formation of companies based on standard articles of association. Member States must retain the possibility to carry out incorporation fully automatically (when using standard articles of association and standard documents), based on high-level eIDAS identification. In Estonian law, digital formation has proven in practice that the associated risks can be managed through technical and procedural safeguards. Introducing requirements for physical presence and preventive controls would reintroduce fragmentation, increase costs and slow down procedures, which runs counter to the objectives of the Regulation. FI (Comments): FI: Where serious grounds exist, it must be possible for the competent authority to require a physical presence or make other measures when necessary. PL (Comments): Poland wishes to point out that certain procedures related to starting a business, particularly one subject to regulation (e.g., the requirement for the security services to verify the management of a business entity applying for a license in an area critical to national security), or with the conduct of business inspections (a request for explanations regarding circumstances related to the subject of the inspection), require the physical presence of the business owner, without the restrictions and conditions specified in paragraph 3.

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	SE (Drafting suggestions): 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~~ **when the public authority or person or body mandated under national law finds it necessary.** ~~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.~~ SE (Comments): We find it positive that the proposal shall simplify digital registration of companies. We also find it positive that there is a possibility to require the physical presence of the representatives of the company. However, exceptional circumstances should not be required in order for a physical presence, it must be possible for the competent authority to require a physical presence in every situation when it considers it necessary. SI (Comments): We believe that the proposed provision unduly restricts the ability of national authorities to verify identity, legal capacity, and the legitimacy of representation. The “reasons to suspect” standard is not clearly defined and may hinder the effective prevention of abuse, particularly in cross-border

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	company formations and cases involving an increased risk of identity fraud. Member States should therefore be granted greater flexibility in establishing appropriate safeguards to ensure legal certainty and prevent fraud. We suggest to apply a more specific standard, such as reasonable doubt, probability, suspicion, and reasonable grounds; however, in this case, due to ambiguities regarding what level of suspicion is sufficient, who assesses it, how it is documented, and whether the decision may be subject to legal remedy, there may be variations in application among Member States.
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.	AT (Comments): Art. 11(1) appears to be modelled on Art. 13e of Directive (EU) 2017/1132. Unlike Art. 13e, however, the provision does not specify **which procedures are covered**. The scope of the provision therefore remains unclear.
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.	AT (Comments): Art. 11(2) appears to be inspired by Art. 13g(6) of Directive (EU) 2017/1132. Unlike Art. 13g(6), the provision does not specify the **types of payments covered**. Clarification is requested regarding the intended scope of the provision and the categories of payments concerned. LV (Comments):

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	Latvia does not support the limitation provided for in Article 11(2) as regards the destination of payments, namely that payments may be made only to a bank account of a bank operating in the Union. Latvia considers that, within the EU Inc. framework, payments should be ensured through widely available online payment services, irrespective of whether such services are provided by banks or by other payment service providers. Accordingly, Latvia calls for Article 11(2) to be deleted or revised so that the destination of payments is not limited only to a bank account of a bank operating in the Union.
Article 12 ***Employee participation***	FI (Comments): FI: We pay particular attention to the fact that issues from other fields of law are combined with the company law proposal. This may involve significant problems. We note that the matter of employee participation is delicate for the MS. The proposal should not lead to reductions as regards the current state of play. As the discussions in the national Parliament are still ongoing, we reserve the right to send ou further comments on this at a later stage. MT (Comments): Article 12 should be broadened or accompanied by a recital stating that EU Inc. companies shall not circumvent employee participation, information and consultation, worker representation, trade-union rights, collective bargaining, or acquired rights under national and Union labour law. Malta suggests the inclusion of par 3 under Article 12.

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	PT (Comments): We would reiterate the same concern raised in relation to the issue of 'forum shopping'. Specifically, to what extent may a Member State be selected—or avoided—on the basis of its labour law regime for the purpose of determining the Member State of registration of the registered office? We would welcome clarification on whether a company governed by national law may be converted into a branch of an EU Inc, thereby becoming subject to a different labour law framework. In such circumstances, we would appreciate further information on how workers' rights would be safeguarded. More specifically, if an EU Inc is registered in another MS, would it be possible for a Portuguese company to be transformed into a branch of that EU Inc? In such a case, would the employees of the Portuguese branch fall under the other MS labour law, or would national labour law continue to apply? In addition, we would need to further reflect on the relations with article 8 of the Rome I regulation.
	LT (Comments): The 28th regime should not create any gap that could weaken employee rights or social dialogue; the national law of the Member State of registration should continue to apply in this respect. NL (Drafting suggestions): Recital 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, employees and other stakeholders and that

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	this legal form cannot be used to circumvent rights, including employee rights and 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. NL (Comments): The Netherlands believes it is important to ensure that the preservation of rights regarding employee representation is not limited to the definition of "employee participation," but also extends to other rules of **corporate law** relating to employee participation (such as the right to speak at the shareholders' meeting and rights regarding the dismissal of supervisory board members). Therefore the Netherlands proposes to extend the definition of employee participation in article 2 (8). Furthermore, the Netherlands is of the opinion that the circumvention of all employee rights needs to be prevented, not only employee rights to participation. Therefore, NLD proposes an amendment to recital 16.
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.	AT (Comments): AT remains concerned as the **current draft does not sufficiently safeguard employee participation rights**. As the applicable national law is determined by the Member State of registration, while no genuine connection with that Member State is required (cf. Art. 9), this provision may create opportunities to circumvent existing national employee participation regimes through the

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	choice of the Member State of registration. At the same time, any solution should take into account the freedoms protected under the freedom of establishment. Consideration could be given to attaching greater relevance to the actual administrative headquarters and/or the place of employment of employees. AT remains open to alternative approaches, provided that employee participation rights are effectively safeguarded and cannot be circumvented. HR (Drafting suggestions): HR …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. HR (Comments): HR Existing EU legal framework for SE and SCE companies already provides mechanisms for harmonising cross-border company mobility and worker's protection through specialised rules on workers participation. LU (Comments): LU notes that the purpose of Article 12 is to ensure compliance with existing rules on employee participation without creating new binding European rights. The protection of employees will therefore depend primarily on the application of national rules and cooperation between Member States, which is likely to give rise to implementation issues and create legal uncertainty in cases where the EU Inc. operates across borders. LU notes that the proposed regulation does not currently provide for any oversight mechanism regarding employee participation. The proposal must

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	aim for harmonisation and should not create a regime that derogates from national labour law and social security law. LU calls for the inclusion of a clear clause on applicable labour law, stipulating that the labour law of the country in which EU Inc.'s employees actually carry out their work must apply in full, including in relation to co-determination. SE (Drafting suggestions): 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**, if any,** applicable in the Member State ~~in which it has its registered office~~ **of employment**. SE (Comments): A fundamental principle should be that employees' rights should follow the place where the work is carried out. The proposal in this part risks undermining national rules on employee participation and may provide an incentive for companies to register the company in a Member State with weaker labour law and then let the principal place of business be in another Member State. SI (Comments): We propose that the rules governing employee participation be harmonized. If the proposed solution is adopted, there is a risk of forum shopping. This means that companies could avoid Member States with stricter rules, putting those countries at a competitive disadvantage. We are also open to discuss other proposals.

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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.	LU (Drafting suggestions): 2. Where an EU Inc. is created through a cross-border conversion, merger or division in accordance with Chapters I, II and IV **of Title II** 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.
	MT (Drafting suggestions): 3. **Paragraphs 1 and 2 shall be without prejudice to Union and national rules on information and consultation of workers, worker representation, trade-union rights, collective bargaining and acquired rights of workers. The formation, registration, conversion, merger, division or cross-border mobility of an EU Inc. shall not be used to avoid, circumvent or weaken such rights.** MT (Comments): A corresponding recital is also being suggested.
CHAPTER II- EU CENTRAL INTERFACE, FORMATION AND FILING	EE (Comments): Estonia supports the approach set out in the proposal under which an EU Inc. may be established on the basis of standard articles of association in a swift, digital and low-cost manner. Estonia also supports the flexible governance rules provided for in the proposal (including digitally held meetings), as well as the possibility to regulate the capital structure internally in accordance with the company's needs (absence

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	of a minimum capital requirement, non-par value shares, and the option to create capital/reserves on a voluntary basis). In Estonia, digital formation and fast-track procedures are already part of everyday practice, and the Estonian private limited company model is flexible and user-friendly. The core approach of the proposal is therefore well aligned with Estonian law. Several aspects require clarification or adjustment: preventive control must not evolve into mechanisms that hinder the achievement of the proposal's objective (fast digital formation), just as the possibility to require physical presence as an exception must not become a practice that undermines a uniform digital standard; at the same time, the scope of the Regulation must not reduce Member States' ability to apply additional safeguards (e.g. discretion of the registry in cases of suspected fraud). In Estonia's view, an approach whereby the default standard remains digital and fast, while additional controls are exceptional and duly justified, is consistent with the objectives of the Regulation. EL (Comments): The use of qualified electronic signatures under eIDAS strengthens trust and authenticity. However, the Regulation does not address broader cybersecurity requirements for the digital infrastructure supporting these fully online procedures, such as risk management, incident handling or security-by-design measures.
Article 13 ***Company application form***	AT (Comments): **<u>AML-related issues:</u>** • In our view it is concerning that the proposed online company formation under Art. 13 **does not include sufficient safeguards against abusive incorporation** and relies solely on the use of an electronic signature.

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	Criminals could use an electronic signature that is misused or used for payment to establish a large number of shell companies across Europe in a short period of time. • What is more the application for an EU Inc. runs on self-declaration with **no independent verification**. An intermediary such as a bank would never open an account on this basis alone. As regards electronic identification we would like to point out that eIDAS only works for EU citizens. For third-country founders, assurance levels vary and there is no fallback. Austria already has problems with fraudulently acquired national digital identities, this could compound to a serious problem, if it is possible to open a company without any intermediary. That contradicts the **obligations set forth in Art. 62 AMLR** which requires obliged entities to actively identify beneficial owners. Here, no equivalent duty has been envisaged. The design of the EU Inc. could also lead to an unintended consequence of financial institutions not accepting EU Incs or accepting them only with a higher fee as they bear significant risks and are connected to higher compliance costs. HR (Comments): HR Application form should contain all the informations that will be entered into business register of MS. Application form is in practice the submission to bussiness register with request of the company which data should be entered or changed in the register. That is why in this proposal the precise content of the application form should be elaborated thorughly. Another option is to add a provision what the registered data for EU inc. Are going to be, not only for formation but also for further changes. LU (Comments):

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	LU has a reserve as to the Commission's position on the notarial KYC and AML checks explained during the WGCL of 11.06.2026. Could the Commission confirm if the information provided during the formation process is incomplete, the application can be suspended pending the submission of the required KYC/AML information or rejected? PT (Comments): We agree with the content of this Article, as the procedures envisaged are broadly consistent with those currently applied in Portugal.
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.	ES (Comments): The inclusion in the form should be considered as the designation of the notary that the parties want to carry out the prior control of Art. 14. FR (Drafting suggestions): 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. **The harmonized application form includes the fields necessary for each Member State to assign the identification numbers referred to in paragraph 3(b) and (c) of this article.** FR (Comments): It is essential that the collection of all the information necessary for the proper taxation of corporations or VAT is included in the standardized form

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	rather than outside it. Insights from the COM on the future implementing act to be adopted pursuant to art. 35, §3) would be much appreciated. HR (Comments): HR Application form must have a structured data, that is why this proposal should structure all data that will be entered into business register. Otherwise We won't have in MS harmonised data about the EU inc. in registers. LU (Comments): In line with COM's explanations during the WGCL held on 02.06.2026, part of the application form will vary depending on the member state of registration. This article should be amended accordingly. SK (Drafting suggestions): It has been answered during the working party by the Commission, that apart from the articles of association, Member States cannot require any other annexes to the Company application form. We understand reasoning behind it. We, however, like other delegations, require certain documentation at the time of registration (the proof of right to use the premises that are to be registered as registered office was mentioned in particular during the WP). It was mentioned, that this could be added to the list of preventive controls that are to be ensured under Article 14 of the proposal. We would like to note, that the issue of seat is not an issue of preventive control. This is a check done by the business register that is relevant for the registration and is not necessarily a preventive control requirement. So is the issue of the power of attorney. If this is not an annex to the Company

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	application form, how can the business register correctly assess that the form was filed by a person that can do so? In this connection, if the preventive control is done in a way of combination (as Article 14 allows), part of it can be done by the business register. At this point we are not certain how this can be assured if no other annexes to the Company application form can be required.
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.	AT (Comments): • It must be ensured that the **highest assurance level** is required for both identification and electronic signatures, meaning assurance level "high" for identification and the use of qualified electronic signatures. • Clarification is requested regarding the relationship between the Member States' obligations under Article 10(1) and the fact that the **identification of third-country nationals** is currently not technically possible due to their lack of integration into the eIDAS system. • Where several directors are appointed upon incorporation, clarification is needed on the **practical implementation of multiple identifications and multiple electronic signatures** within the online procedure. FR (Drafting suggestions): 2. The prospective members of the board of directors, identified through electronic identification means with **assurance level high** in accordance with Regulation (EU) No 910/2014, shall fill in the company application form and sign it by means of **qualified** trust services referred to in Regulation (EU) No 910/2014. FR

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	(Comments): To ensure a high level of assurance HR (Comments): HR The required standard should be qualified signature/seal as defined in Art.3. (12) and (27). See comments Art.23. PT (Comments): We consider that this signature should be a qualified electronic signature, and this should be expressly reflected in the wording of the article. A qualified electronic signature is the type of electronic signature that is legally equivalent to a handwritten signature. It is distinguished by the fact that it is created on the basis of a qualified certificate for electronic signatures issued by a qualified trust service provider (see Article 3(12) of the eIDAS Regulation). It should be noted that the evidential value of an electronic document depends on the type of electronic signature affixed to it, and that only a qualified electronic signature has the equivalent legal effect of a handwritten signature (Article 25(2) of the eIDAS Regulation).
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:	FR (Drafting suggestions): 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;

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	(aa)identification of the location of the central administration and principal place of business in the Union (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. FR (Comments): Pursuant to article 9. PL (Comments): The application form should include not only the common elements set forth in the proposed regulation, but also fields for the information required by the law of the Member State of registration, so as not to delay registration by having the national authority request additional information beyond what is provided in the form. It would therefore be reasonable to adopt a basic form template, supplemented by a national module specific to the country of registration, which would, in a sense, determine the content of the application form if registration in that country is chosen. It is necessary to clarify when the deadlines for expedited registration via the EU central interface begin. This pertains to cases where information required by national law is missing. In a situation where accelerated registration takes place on the basis of an application form and articles of association submitted via the interface to the national registry, and the company form includes the additional information required in Poland, the problem in question would not arise. The submission of the application form also raises a point regarding the language of the application. It should be automatically transmitted to the national registration authority in the official language of the Member State

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	where the registration is to take place. It should be accompanied by documents drawn up in that language, so that the authority does not have to assess documents drawn up in a foreign language. Article 15(3) ensures, in the case of registration using the EU central interface, that the application form and the articles of association are transmitted to the national register, without referring to any further documents required by national law. SE (Comments): The company application form also needs to include the possibility to indicate a person authorized to receive service of process, and there should be a requirement for that information if none of the board members are living in the Member State where the company has its registered office.
	MT (Comments): It is suggested that they should be required to declare their employment activity, expected employment, sectors of activity and whether the company intends to operate as an employment agency, labour supplier, platform operator or subcontractor. Malta is suggesting the inclusion of par.3a
(a) company formation in the national business register;	
(b) issuing the tax identification number, TIN and/or;	AT (Comments): • As regards provisions relating to tax law, see **comment under Art. 4(1)**. • Without prejudice to AT's position under Art. 4(1), it should be noted that while a tax identification number is issued in all cases, a **VAT identification number** is only issued where **specific conditions** are met.

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	This distinction does not appear to be reflected in the wording "*TIN and/or*". HR (Comments): HR In relation to the personal identification number, OIB, which in the Republic of Croatia is also a tax number, it is stated that the proposed solution, which provides for the automatic assignment of a tax identification number already in the company registration process, without the need for a separate request, opens up a number of administrative and operational challenges. The current system for assigning OIB to legal entities in the Republic of Croatia is based on clearly defined procedures that include the verification of relevant data by competent authorities, primarily the Commercial Court, but also the Tax Administration. Such an approach allows for the control of the accuracy and completeness of data before the assignment of the identification number, thereby reducing the risk of subsequent corrections, misuse or inconsistencies in official records. The introduction of automated assignment of OIB through data exchange between the business register and competent authorities would require significant adjustments to existing information systems, as well as additional coordination between institutions that currently operate within their clearly demarcated jurisdictions. Such a change also implies an increased risk of technical errors, especially in the initial phase of implementation, which could result in incorrect or duplicate assignments of OIB. Additionally, this model reduces the level of direct control that tax authorities currently have in the taxpayer identification process, which may have negative implications for the quality of tax records and the implementation of tax regulations. The issue of liability in the event of an incorrectly assigned OIB is particularly problematic, since liability would be dispersed among multiple institutions involved in the automated process. Furthermore, OIB, along with identification documents, is used to identify persons. In a large number of

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	cases of OIB assignment, especially for foreign persons, the Ministry of the Interior verifies the correct identification of persons. Thus, OIB is not only used for tax procedures, but also enables a foreign person to function smoothly within the legal system of the Republic of Croatia. Based on the above, it can be concluded that the implementation of the proposed solution into the Croatian legal and administrative system would require extensive legislative and technical adjustments, with an uncertain outcome in terms of the actual reduction of the administrative burden, and with a real risk of violating the existing standards of accuracy and reliability of personal, tax, but also any other identification in the territory and within the legal system of the Republic of Croatia. In this regard, additional clarifications are needed to avoid implementation difficulties. It is currently not possible to take a final position on whether the provision in question represents an unacceptable provision for the Republic of Croatia ("red line"), without conducting additional analysis of the European Commission's proposal, especially in the part relating to the technical implementation and establishment of future control mechanisms for the assignment of OIB. We also believe that the issue of OIB requires unanimity given its importance, which means that if the legal basis were the tax file, OIB, or the assignment of identification numbers, would also be discussed within it. LV (Drafting suggestions): issuing the tax identification number (TIN) and/or; LV (Comments): The provision in question states that an entity “will be issued a tax identification number, TIN.” This wording gives rise to ambiguity as to

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	whether the term “tax identification number” is intended to be synonymous with the abbreviation “TIN.” If the wording of the draft Regulation has been duly reflected and this constitutes an unintended duplication in the text, we kindly request that it be clarified in line with the proposed wording. Conversely, if “tax identification number” is not intended to refer to the same concept as “TIN,” we would appreciate it if an appropriate explanation could be provided. MT (Comments): Scrutiny reservation as internal analysis is still ongoing and not finalised. More time is needed to better evaluate operational considerations here.
(c) issuing the VAT identification number;	BG (Comments): Art. 13, par. 3 "C" not sufficiently clear on how VAT registration is carried out. HR (Comments): HR The issuance of a VAT ID number is prescribed by the VAT Directive, and that this Regulation should not enter into those rules MT (Drafting suggestions): ~~issuing the VAT identification number~~; MT (Comments): any such requirements for VAT purposes should be included in the VAT Directive.

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	PT (Comments): The provisions of the proposal concerning the automated and immediate allocation of Tax Identification Numbers (TIN) and VAT identification numbers upon the incorporation of EU.Inc create a severe normative conflict with established EU law. Allowing an immediate, blind, or automated generation of tax identifiers based solely on commercial registry workflows, the fast-track fiscal registration mechanisms within a single-market corporate law framework effectively strips national tax administrations of their prerogative to conduct ex-ante risk assessments, substance checks, and anti-fraud verifications. In Portugal, this automated allocation directly overrides imperative rules of national tax procedures and the legal framework governing corporate tax identification: 1) The Company Registration Number (Corporate Tax ID) is strictly assigned by the National Registry of Legal Entities. 2) The VAT Identification and VIES Activation is assigned to taxable persons, by the tax authorities, only when the entity explicitly indicates its intent to carry out intra-Community transactions within its mandatory statement of start-up or modification of activity. The obligation for Member States to identify taxable persons carrying out intra-Community transactions through an individual VAT identification number is expressly provided for in Council Directive 2006/112/EC of 28 November 2006 on the common system of value added tax (the VAT Directive). Although it does not establish common rules for defining the structure of this number, the Directive mandates that the individual VAT identification number must include a prefix in accordance with the ISO 3166 alpha-2 code, enabling the identification of the allocating Member State. Furthermore, it requires Member States to take the necessary measures to ensure that the implemented identification system distinguishes taxable

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	persons carrying out intra-Community transactions, thereby securing the correct application of taxation rules for intra-Community trade pursuant to Articles 214, 215, and 216 of the VAT Directive. In addition, explicitly allows Member States to impose obligations deemed necessary to ensure the correct collection of VAT and to prevent evasion.
(d) registering beneficial ownership information in the beneficial ownership register.	AT (Comments): • The planned implementation of the once-only principle in Art. 13 with regard to beneficial owner data will lead to increased implementation effort, as new interfaces would need to be implemented. Since changes to beneficial ownership will have to be reported continuously, **no significant synergy effects** will be generated. It would therefore be advisable to adhere to the existing reporting channels for EU Inc. as well. This is important since the draft does not include any provisions for ongoing updates, which is why it can be assumed that these will have to be submitted directly to the Austrian Beneficial Ownership Register (WiEReG) anyway. Therefore, all beneficial owner notifications should be submitted directly to the beneficial owner registers in the Member States. • The Beneficial Ownership Register receives a copy of **unverified form data**. **Art. 10 6th AMLD** requires accuracy – but accuracy needs verification. Mere collection of data cannot ensure that as verification happens through intermediaries, such as legal professionals or tax advisors. BG (Comments): We are concerned that the proposal does not take sufficient account of the rules on the prevention of money laundering and terrorist financing. The envisaged declaration of beneficial ownership information– Article 13(3)(d) – is also not

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	sufficiently supported by an obligation to certify the circumstances declared. The matter is left to a future implementing act and does not allow MS to assess the compliance of the proposed regime 28 with the high standards and rules in the area of money laundering. In view of this, enhanced verification of beneficial ownership through the cross-use of available registers should be provided for. Consideration should also be given to introducing mechanisms to automatically identify risky behaviour, including frequent changes of ownership, multiple registrations or discrepancies in data. Last but not least, it is essential to ensure a swift and effective exchange of information between competent authorities, including in real time, as well as the establishment of common criteria for profiling risky companies at EU level. LT (Comments): Article 13(3) provides that the application form shall include the information specified in the implementing act referred to in Article 35(3)(b), to the extent that it is necessary for the purposes of registering beneficial ownership information in the beneficial ownership register (d). Since AML requirements derive from EU law transposed at national level, and the scope of beneficial ownership data may differ between Member States, LT considers whether any exemptions from the collection of beneficial ownership information for the purposes of Article 13(3)(d) should be set out in the Regulation itself, rather than left to be determined by an implementing act. LU (Comments): LU understands from the Commission's explanation during the WGCL held on 27.04.26 that the KYC and AML controls will be in its view facilitated by

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	using this company application form. LU reminds however that the EU Inc.'s obligation to declare and file the identity of its beneficial owner is declaratory and made by the EU Inc. under its sole responsibility. The EU Inc's obligation shall however not be confused with the obligation of the national authority in charge of the legality control of art. 14 to proceed with its own KYC check prior to the start of its client relationship and AML control that stem from its professional obligations.
	MT (Drafting suggestions): **(e) declaration concerning the intended employment-related activity**
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.	AT (Comments): • See the **comments on para. 2** regarding the need for maximum security and the technical issues arising in cases involving third-country nationals. • Where a **legal person** acts as founder, clarification is requested as to how the authority of the natural persons to represent the legal person is to be demonstrated in the online procedure. FR (Drafting suggestions): 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 **and provide a copy of a document proving their identity.**

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	FR (Comments): The purpose of this drafting suggestion is to strengthen the fight against document fraud, which currently affects companies' creation. Providing identification documents - such as passports or ID cards - will allow the authorities in Member States to cross-check them against national databases containing records of these documents or civil registry records. HR (Comments): HR Qualified electronic signature/seal as a standard LT (Comments): Articles 13(4) and 15(3)(4) clarify that the application form is accompanied by the articles of association (which may use the EU templates under Article 8) and that the decision to register remains with the competent national authority under national law. LT considers it important that Member States retain the ability to require additional documents as part of the registration procedure in accordance with national law – for example, the consent of the owner(s)/co-owner(s) of the premises where the registered office is to be located, where the founder(s) are not themselves the owner(s) of those premises or where the premises are held under joint or shared ownership. LU (Comments): In line with COM's explanations during the WGCL held on 02.06.2026 that the founders may choose to execute the articles before a notary. If so, this paragraph should be amended to cater for this possibility accordingly.

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	PL (Comments): Under Polish law, the subscription of shares with a contribution in the form of real estate is strictly subject to the requirement that it be made by way of a notarial deed. For this reason, in Poland, in the case of a company whose articles of association were drawn up using a standard form, only cash contributions may be made to cover the share capital. The draft regulation should take into account these (national) requirements, particularly those related to property law. The draft could provide for the possibility of restricting the formation of a company using a model agreement in cases where non-cash contributions are made, particularly real estate. Such a possibility is already provided for in Article 13g(4)(d) of Directive 2017/1132;
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.	AT (Comments): • Clarification is requested regarding whether Art. 13 is intended to mean that no separate **instrument of appointment** must be submitted for directors and that the procedure relies solely on the directors' declarations in cases where the appointment is not already contained in the articles of association. • The **wording** "*disqualification in the Member State of registration*" is ambiguous and may refer either to disqualification under the applicable national law of the Member State of registration or to the application, by that Member State, of Art. 22. Clarification of the intended meaning is therefore requested. • AT understands Art. 13(5), read together with para. 6, to mean that the register authority must **verify the relevant circumstances independently**

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	despite the directors' self-declarations. Confirmation of this interpretation would be welcome. • Clarification is required whether this provision applies only in the context of establishing an EU Inc. or also **at a later stage**. FR (Drafting suggestions): 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 **and provide a copy of a document proving their identity.** FR (Comments): The purpose of this drafting suggestion is to strengthen the fight against document fraud, which currently affects companies' creation. Providing identification documents - such as passports or ID cards - will allow the authorities in Member States to cross-check them against national databases containing records of these documents or civil registry records. HR (Comments): HR How should We define "circumstances which could lead to a disqualification in the MS of registration", does the national law applies for defining the circumstances. These circumstances may differ among MS.

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	SI (Comments): It is uncertain whether a self-declaration by the future management would be sufficient to prevent a disqualified person from assuming the position. It should be clarified whether such a declaration must be made personally or may also be submitted through a representative under a power of attorney. In addition, the consequences or sanctions for providing a false declaration are not specified and should be made clear.
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.	AT (Comments): Para. 6 appears to address disqualification specifically. This should be made clear in para. 6 itself, given that the remainder of the Article also contains requirements going beyond disqualification. LU (Comments): This is the only article indicating that the disqualification of the directors must be subjected to preventive controls. LU suggest including this in article 14 for more clarity. MT (Drafting suggestions): To add the following: **Provided further that the stop-clock mechanism will apply for suspected fraud, abuse, incomplete documentation, beneficial ownership concerns, labour-supply concerns or social-security verification.**

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	MT (Comments): Addition of a stop-the-clock mechanism for suspected fraud, abuse, incomplete documentation, beneficial ownership concerns, labour-supply concerns or social-security verification is necessary in this regard
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) 2017/1001[2], or national trade mark of a Member State, as referred to in Directive (EU) 2015/2436[3]. 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.	AT (Comments): • Based on the explanations provided by the Commission, AT understands the purpose of this provision to be that the trade mark check serves solely to inform the founder and does not give rise to legal consequences. On this understanding, it appears consistent that Arts. 6 and 14 do not take the outcome of the trade mark check into account. • AT assumes that the result will be displayed automatically and immediately within the online application process, before submission of the application. Clarification is requested as to whether this understanding is correct. • It remains unclear how the automatic trade mark check is intended to operate in practice in the context of a formation under Art. 18, and which technical arrangements must be put in place at national level. CZ (Comments):

[2] 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

[3] 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

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	It shall be clarified what is required from national business registers to ensure that the automatic verification is provided for if the EU Inc. is formed in accordance with Article 18. Does it mean that not only the EU interface but every national business register need to be connected with the trade mark IT tool developed by EUIPO? ES (Comments): The interconnection between BRIS and EUIPO's tools for the automatic verification of company names in relation to registered trade marks makes it advisable to clarify their scope, in particular their purely informative nature, given that company names and trade marks fall under different legal regimes. The provision of information on industrial property rights by the European Central Interface could require further clarification in terms of scope, updating and coordination with existing EUIPO and national office databases. LT (Comments): LT notes that the following aspects of this provision remain unclear. First, the Proposal does not specify the criteria according to which the proposed company name is to be assessed as matching or being similar to a trade mark. It is unclear whether Member States are expected to establish such criteria under national law. Without further specification, divergent assessment practices across Member States may emerge, undermining the uniform application of the Regulation. Second, it is unclear what obligations Member States must fulfil to ensure that the business register provides the automatic verification referred to in Article 13(7), and in particular what technical functionalities the national business register information systems are required to implement. Third, the Proposal does not specify the legal consequences where the automatic verification reveals that the proposed company name matches or is

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	similar to a registered trade mark. It is unclear whether the business register is required to refuse the registration of the EU Inc. company or whether applicants are merely to be informed of the match or similarity. Fourth, the Proposal does not address the question of liability where, following a completed automatic verification, an EU Inc. company is registered under a name that subsequently proves to match or be similar to a trade mark and the trade mark holder brings legal proceedings. It is unclear who would bear responsibility in such cases. LT therefore suggests that Article 13(7) be supplemented with further clarifications addressing the above questions. LU (Drafting suggestions): 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) 2017/1001, or national trade mark of a Member State, as referred to in Directive (EU) 2015/2436. 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

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	examination or registration of the trade mark **nor prevent the registration of the EU Inc. company**. LV (Comments): Latvia proposes to supplement the draft Regulation with clear criteria that would make it possible to determine in which cases a company name coincides with or is similar to an already registered EU or national trademark. If such an assessment of compliance is carried out only technically, namely within the system without manual involvement, this should be explicitly specified in the text of the Regulation. PT (Comments): In assessing the likelihood of confusion, we consider that account should be taken of company names, trade names, trademarks and logos that have already been registered or granted, where they are so similar as to be capable of misleading third parties as to the ownership of those distinctive signs SK (Drafting suggestions): It is not clear from the draft regulation, how the connection of the national business registers of the EU Member States with the EUIPO IT tool will be ensured, but it is possible to assume that it should be the same connection as with the BRIS system, or rather a connection built on the same principles. In this context, a further explanation would be desirable. It is also possible to assume that the EUIPO IT tool will contain databases of EU trademarks as well as national trademarks of the EU Member States, without introducing new obligations for the national industrial property offices of the EU Member States (i.e. using the current mechanisms). In this context, a further explanation would be desirable.

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	It is also not clear from the draft regulation on what principles the EUIPO IT tool will evaluate the identity or similarity of the name and trademarks. In this context, a further explanation would be desirable. We assume that the "result" of the automatic verification will be of an exclusively informative nature for the emerging company "EU Inc.", without any "sanctions" from the registering entity.
Article 14 ***Preventive control***	AT (Comments): **AML-related issues:** • In our view, the preventive controls set forth in Art. 14 **cannot be deemed sufficient**. The current drafting does not provide any checks on compliance with already **existing AML legislation**. There is no mention of sanctions screenings, PEP (Politically Exposed Persons) checks or adverse media reviews. EU sanctions law (e.g. Reg. 269/2014) prohibits making resources available to sanctioned persons – but there is no mechanism to catch them here. Which means that already designated persons could potentially create EU Incs without sufficient controls to prevent them from doing so. A notary in a national formation is an obliged entity as per AMLR. In the fully digital fast-track route, no obliged entity may be involved at all which leads to the removal of the last safeguard. • Apart from that, **Art. 20 to 22 AMLR** require Enhanced Due Diligence (EDD) for high-risk situations. According to the EU Inc. proposal, no risk assessment shall be made at all. Due to this, (automated) measures against misuse of EU Incs as shell companies or for the purposes of money laundering and terrorist financing should be implemented. • Furthermore, **additional measures** such as the personal identification of applicants, the use of a verified bank account, or the involvement of

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	notaries and lawyers should be considered. Given these threat scenarios, the measures appear inadequate, and the 48-hour verification period is significantly too short. Bearing these considerations in mind we wonder how the European Commission envisages separating AML-checks from the creation of a company, when Know-Your-Customer and the risk-based approach are two of the fundamental principles in AML. BG (Comments): We would like to add a verification of the manager's consent to be so before a notary. The fact of the notarial certification actually certifies the consent to be a manager. DK (Comments): It is important that the provision clarifies that Member States may request further information relevant to the registration of the company. The provision should also make it clear that this preventive control respects the mandatory preventive legality checks already being carried out by business registers in accordance with both European and national legislation. See furthermore our comments to article 16. EE (Comments): Estonia considers that, with regard both to the provision allowing for the requirement of physical presence in exceptional cases and to the provision on preventive controls, the text of the proposal should ensure that Member States retain the possibility to fully automate the fast formation of companies based on standard articles of association.

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	Member States must retain the possibility to carry out incorporation fully automatically (when using standard articles of association and standard documents), based on high-level eIDAS identification. NL (Comments): The proposal currently provides for a very limited procedure for preventive control. The Netherlands is very concerned about this procedure and the way it is embedded in the proposal. 1. The **foreseen procedure of preventive control is too limited**: as it's written now, it is an exclusively formal check of the articles of association and any amendments thereof. We believe there should be room for a more substantive control on, amongst others, the legal act of formation, the identity of the founders and potential fraud, the structures the EU Inc. uses, the Ultimate Beneficial Owner(s), or unusual transactions. These checks should be carried out before an EU Inc. is established and will be able to enter into business relations. 2. The proposal does not provide for a mechanism in case an EU Inc. company does not make it through the preventive controls. For example: article 16 (2) states that MS will have to ensure the registration of an EU Inc. is completed within 48 hours from the submission of the documents. The Netherlands believe that a **derogation** of article 16 (2) and article 17 (2) is necessary: in case the national competent authority **has reasons to suspect or received signals that** the EU Inc.-company will be used to perform criminal acts or circumvention of the law, the deadline for preventive control ánd for registration should be paused until these signals have been duly investigated.

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	LT (Comments): LT supports fully digitalised preventive control and welcomes the fast-track formation procedure under Article 16 based on the EU templates for articles of association referred to in Article 8. Formation using approved standard articles of association has been available in LT for around 15 years and is widely used in practice. This experience supports the view that automated preventive control based on templates is a viable and effective solution that can provide genuine simplification.
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.	AT (Comments): Preventive control is essential for ensuring the reliability and trustworthiness of register information. In some Member States, including AT, **control already takes place before submission of the application to the business register** through notarial procedures, which include verification of identity, legal capacity, the authenticity and validity of signatures, compliance with substantive company law requirements and AML checks. In contrast, the **proposed framework provides only limited scope for these control measures**, as the review takes place only **after submission** to the register authority and appears to be **restricted** to certain formal elements; furthermore, it must be carried out within **very short time limits** and – in the case of the fast-track procedure **–** at **very limited cost**. Clarification is therefore requested as to how the mentioned existing mechanisms of control are intended to be accommodated within the proposed framework, in particular considering that these measures must ensure compliance with existing Union law requirements and international obligations. ES (Comments):

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	It should be clarified how preventive control can be carried out that, as the name suggests, must be prior to the constitution of the Company. As the constitutive procedure is designed, it is more complicated than in Spanish law (notary+register). One more step is added. FI (Comments): FI: This provision must be read together with Article 16. We welcome the proposal's objectives and measures to promote digitalisation as such and to facilitate cross-border activities. We take note that a rapid and highly digitalised procedure may in practice reduce the ability of competent authorities to assess the risks of abuse before registration. The accelerated registration procedure may, for example, restrict the authorities' possibilities to carry out adequate inspections before registration in situations involving risks on front arrangements, sanctions, money laundering or other kind of misuse related to economic crime. This underlines the need for ex-post supervision that is clearly more expensive than ex-ante supervision. Therefore, where serious grounds exist, it is vital that efficient checks can be made, and further questions asked, in compliance with national procedures (provided for at EU and national law). FR (Drafting suggestions): 1. Member States shall ensure that the articles of association at the time of the formation of the EU Inc., any amendments to the articles of association **and any filing of documents or information** pursuant to article 27 shall be subject to preventive administrative, judicial or notarial control, or any

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	combination thereof, **as well as the identities of the founding shareholders and directors.** FR (Comments): Matters not relating to company law shall be governed by national law, including provisions transposing Union law applicable to the EU Inc. company in the Member State where it has its registered office, and where applicable, its branch. Insufficient controls are in place to prevent abuse and ensure that the company's central administration and main place of business are effectively located in the EU. This article only provides for control of the content of the articles of association, which is insufficient and may implicitly prohibit the Member State from verifying other aspects, such as anti-abuse measures (anti-money laundering, tax fraud, etc.), and the effectiveness of the central administration and principal place of business in the EU. The purpose of this drafting suggestion is also to strengthen the fight against document fraud, which currently affects companies creation. Providing identification documents - such as passports or ID cards - will allow the authorities in Member States to cross-check them against national databases containing records of these documents or civil registry records. HR (Comments): HR The provisions on preventive control are aimd exclusively at the acticles of association. Although this Regulation does not affect the obligations related to the prevention of money laundering, it might be useful to prescribe

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	something related to preventive control of money laundering, especially in the case of formation "ex nihilo". MT (Drafting suggestions): 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. **The final responsibility for verifying the legality of the formation, the identity of the applicants, and compliance with applicable national law shall rest with the registering national business register of the Member State.** MT (Comments): The inclusion of preventive controls is welcomed. However, this must be explicitly strengthened. Final responsibility for legality checks, identity verification, and compliance with national law shall rest with the registering authority of the Member State. Moreover, it needs to be clarified whether the list of preventive control is exhaustive or otherwise. PL (Comments): The scope of preventive supervision of EU Inc. is not consistent with Directive 2017/1132. Pursuant to Article 10(2)(b) of Directive 2017/1132, as amended by Directive 2025/25, as part of the verification of the legality of the instrument of incorporation and the articles of association (if they are contained in separate documents), it is also necessary to verify compliance with substantive law. In Poland's view, such a verification standard should also be provided for in Article 14 of the draft regulation. The absence of such

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	a requirement may lead to abuses in the process of registering an EU Inc. company. SE (Comments): SE is pleased with the proposal allowing for preventive controls, but we find it important that these can actually be carried out in order to prevent abuse and fraud. We do not want the preventive checks to be empty demands. In the context of preventive checks, it must be possible to require the physical presence of the company's representatives. For SE, it is essential that the regulatory framework and its control mechanisms are designed in such a way that the new corporate form cannot (in a greater extent than existing corporate forms) be misused for illegal purposes or used to circumvent legislation in other areas. Sweden already has significant challenges with companies being used as a tool for criminals and several implemented and ongoing reforms in this area are risking to become ineffective if the new company form is not covered by the extended control possibilities introduced for the Swedish Companies Registration Office, or is covered by other corresponding control possibilities. SI (Comments): Slovenia welcomes the retention of preventive judicial, administrative, or notarial oversight in the formation of companies. However, it should be clearly stipulated that the list of checks set forth in this article is not exhaustive and that Member States may also establish additional checks to protect the public interest, prevent fraud, money laundering, and the misuse of legal entities, and ensure compliance with national law. Otherwise, this could result in an unjustified interference with existing national mechanisms

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	for the protection of legal transactions and the prevention of the misuse of companies. We would like to draw attention to the issue of the relationship between the 28th regime and existing mechanisms for reviewing foreign direct investment. We believe it would be useful to further clarify how review jurisdiction is determined in this context, particularly in cases where a company, under the 28-country regime, has operations or assets in multiple Member States. In this regard, it seems appropriate to maintain a certain link to actual economic presence where security interests may be at stake. Integrity of the business environment, like protecting creditors, including workers, is important. This is why the ability to actually locate a company is relevant. Based on our understanding, Article 9 of the proposal mandates the registration of both the company's seat and its business address. We are wondering if this also implies an obligation to provide the property owner's consent, as required by Slovenian law. This measure is crucial for preventing abuse where multiple shell companies are registered at a single address, making it impossible for creditors to reach them when collecting debts. This can be very important against money loundering and against human trafficing. SK (Drafting suggestions): We welcome that the proposal takes into consideration tradition of Member States as regards preventive control. During the working party we asked a question but did not get a reply – as preventive control is a procedure within the scope of the proposal, does Article 10 apply and the preventive control can only be done exclusively fully online? We also believe that the draft regulation should not undermine objectives of the AML legislation. This is necessary to be taken into consideration. We believe the proposal contains very important elements and it is not necessary to discuss AML issues, however, rules of the draft regulation should not have any effect on application of AML rules.

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2. That control shall verify that:	AT (Comments): In addition to the control that takes place before filing an application (see comments on Art. 13(1)), in AT the register authority is required to **examine applications** for registration and the accompanying documents both **formally and substantively**, thereby preventing abuse and safeguarding the integrity of the corporate framework. Para. 2, however, appears to provide an exhaustive list of review elements. This could prevent more extensive legality checks, including substantive review of the articles of association. It is therefore important to ensure that Member States are not required to lower their existing standards of preventive control, which would also be consistent with the approach in Directive (EU) 2017/1132. CZ (Comments): Given the specific nature of EU Inc. registration, a simple transposition of the preventive control under Article 10 CLD appears insufficient. The scope of control should be adapted to reflect the distinct features of this Regulation. ES (Drafting suggestions): That control shall verify at least that ES (Comments): Regulatory consistency with the European legal framework on company law. For those Member States where this was not previously carried out, Directive 2025/25 introduced, in Article 10, a preventive administrative, judicial or

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	notarial control, including minimum legality check by the authorities responsible for business registers. LU (Comments): LU understands from the Commission's explanation during the WGCL of 27.04.26 that the list in paragraph 2 is intended to be exhaustive. LU would like to add that the control shall verify that the substantive legal requirements are met similarly to art. 10, paragraph 2 item (c) of Directive 2017/1132 and the control of disqualifications of the prospective directors. MT (Drafting suggestions): That control mechanism shall verify, **at a minimum, that:** SE (Drafting suggestions): 2. That control shall verify**, at least,** that: SE (Comments): The list below should not be exhaustive. A MS must be able to carry out the preventive controls for EU Inc. companies as for the relevant national legal form referred to in article 4.3.
(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;	

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(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;	FR (Drafting suggestions): (c) the name, **the location of the central administration or the principal place of business** and the object of the EU Inc. comply with the requirements of this Regulation; **(f) Without prejudice to the verifications conducted within the framework of Directive 2024/1640, the identity of applicants whenever they access the registers. To that end, Member States shall ensure that sufficient processes are available for the verification of the identity of the applicant, including by allowing the use of electronic identification means and relevant qualified trust services as set out in Regulation (EU) No 910/2014 of the European Parliament and of the Council.** **(g) Without prejudice to the verifications conducted within the framework of Directive 2024/1640, the identity of any natural person mentioned in the application form, the articles of association, or any document required by law or the entity in charge of a central register. To that end, Member States shall ensure that sufficient processes are available for the verification of the identity of the applicant, including by allowing the use of electronic identification means and relevant qualified trust services as set out in Regulation (EU) No 910/2014 of the European Parliament and of the Council.** FR (Comments): To ensure compliance with Article 9, and coordination with Court case law.

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	To specify the identity check that any member state must carry out. HR (Comments): HR The legal treatment of the object of the company may differ among MS. Object of the company can be entered into business register of one MS without any restrictions and in another MS the same business activity can't be performed without additional approvement by state institutions (national legislation). How are We going to unify entry into business register of company activity without additional uncertainty that precludes companies to register their activity in one and not in another MS. Connection to NACE won't prevent such discrepancies. LT (Comments): Article 14(2)(c) of the Proposal requires that preventive control verify whether the name and the object of the EU Inc. company comply with the requirements of the Regulation. The requirements applicable to the company name are set out in Article 6, and include the requirements that the name must not mislead the public, in particular as to the nature of its business activities, and must not be contrary to public policy or to accepted principles of morality. LT notes that these criteria are evaluative in nature and that verifying compliance with them requires a substantive judgment that cannot readily be performed as part of a preventive control procedure. LT therefore suggests that consideration be given to removing from the scope of preventive control under Article 14(2)(c) the obligation to verify compliance with those requirements under Article 6 that are subjective in nature, namely the requirements that the name must not mislead the public and must not be contrary to public policy or to accepted principles of morality.

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	LT notes that it is also unclear what the preventive control under Article 14(2)(c) is specifically required to verify with regard to the object of the company. In particular, it is unclear whether the control is limited to verifying the formal requirement that the object of the company is expressed using the relevant NACE code, or whether it also extends to a substantive assessment of whether the content of the object of the company complies with other requirements of the Regulation. For legal clarity and certainty, LT suggests either deleting point (c) or clearly specifying the requirements applicable to the object/activity of an EU Inc. LU (Drafting suggestions): (c) the name **of the EU Inc. complies with the requirements of article 6, paragraph 1 and 3 of this Regulation** and the object of the EU Inc. **is set out in the articles of association for the purpose of art. 25, paragraph 1, item (d) of this Regulation** ~~**comply with the requirements of this Regulation**~~; LU (Comments): LU also questions this wording when the proposed regulation does not govern the object of the EU Inc. For the avoidance of doubt, LU suggests amending the wording to limit the control of legality: - to art. 6, paragraphs 1 and 3 regarding the corporate name; and - to verifying that the corporate object is effectively set out in the articles of association for the purpose of art. 25, paragraph 1, item (d). SE (Drafting suggestions):

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	(c) the name and the object of the EU Inc. comply with the requirements of this Regulation **and national law and that checks have been carried out in all relevant registers to ensure that the name is not already in use**; SE (Comments): During the preventive controls, the business register must have the possibility to check if a business name is already in use. It will not be sufficient to make the control only through BRIS, since not all protected prior trade names are available in BRIS. It will therefore be necessary to make the controls even through other relevant registers.
(d) the applicants have the necessary legal capacity and have authority to represent the EU Inc. company;	AT (Comments): It remains unclear **how compliance with this requirement is to be verified**, both for EU-based founders/directors and for founders/directors from third countries. CZ (Drafting suggestions): (d) the applicants **and the persons applying to become directors** have the necessary legal capacity and have authority to represent the EU Inc. company; CZ (Comments): It is unclear what precisely should be verified under this point. The ability to represent the company is primarily relevant for future members of the administrative body rather than for the applicants. The provision should

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	specify which persons are subject to this check. The drafting suggestion is tentative. LT (Comments): LT notes that the Proposal does not specify the scope of the legal capacity verification. In particular, it is unclear whether this verification is limited to confirming that the applicants meet the minimum age requirements or whether it also extends to verifying whether a person's legal capacity has been restricted by a court decision. If the verification of legal capacity under Article 14(2)(d) is intended to cover court-imposed restrictions on legal capacity, LT asks whether Member States will have the ability to automatically obtain information on restrictions on legal capacity imposed in other Member States. LT notes that, in the absence of such a mechanism, effective verification of legal capacity across borders may not be practicable within the framework of the fully online formation procedure envisaged by the Proposal. LT therefore suggests that the scope of the legal capacity verification under Article 14(2)(d) be clarified in the Proposal. SK (Drafting suggestions): It is not clear who is the applicant. We believe this can and should be drafted in a more specific way.
	SE (Drafting suggestions): **(e) that the identity of the founders and of persons applying to become directors can be verified;** SE

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	(Comments): There must e.g. be a possibility to require copies of passports, today we don't use Regulation (EU) No 910/2014 (e-IDAS) for identification but only for signature. The most important is not the mean for identification, we are positive to digital tools, but that identification can be made in a reliable way. Anyway, it should be at step in the preventive controls to check the identity of the applicants.
(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.	AT (Comments): Compliance with this requirement may necessitate the submission of additional supporting documents. LT (Comments): Article 14(2)(e) requires preventive control to verify that considerations to be contributed to capital have been provided in accordance with Article 64(4). The Proposal does not specify in what manner or format financial institutions are to provide the relevant information, or whether such information would be accessible automatically. Lithuania considers that further clarity is needed on this aspect. SE (Drafting suggestions): (~~e~~ **f**) 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.
	CZ (Drafting suggestions):

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	(f) the persons applying to become directors are not disqualified in the Member State of registration and no relevant information implying disqualification in another Member State is available to the authority conducting preventive control. CZ (Comments): Despite COM explanations, it remains unclear at which stage the disqualification check is to be carried out and by whom. It should be explicitly stated that this forms part of the preventive control. Given the current limitations in cross-border exchange of disqualification data, full verification should at least be ensured for the Member State of registration. Where indications of disqualification exist in another Member State, registration should not proceed without further scrutiny. In a recital it should be clarified that for these purposes, the definition of director from Article 22 shall apply. ES (Drafting suggestions): ***Article 14(3) [new]:*** Without prejudice to the foregoing, if the business register responsible for the incorporation or amendment of the articles of association of the EU Inc. has reasonable grounds for suspicion regarding money laundering, tax evasion or other objectives of EU policies that the 'EU Inc.' must also comply with when choosing the Member State in which to establish itself, the business registers responsible shall send a message in XML format directly to the competent national authority. For the application of this provision, a set of alerts must be defined in accordance with the Anti-Money Laundering Directive, so that when the defined risks arise, a message is sent directly to the competent national authority via BRIS." ES

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	(Comments): To strengthen the fight against money laundering from a cross-border perspective, thereby enhancing the efficiency of the process for incorporating EU Inc. or in the event of amendments to the articles of association of EU Inc. The short deadlines established for the incorporation of the EU Inc. raise legitimate concerns as to whether the legality checks to be carried out by notaries and business registers are sufficient and sufficiently thorough to ensure compliance, as well as to prevent the use of this new corporate form from being exploited for illicit purposes, and therefore, it is necessary to strengthen the powers of business registers and to incorporate into the BRIS system any doubts or suspicions relating in particular to money laundering.
Article 15 ***EU central interface***	AT (Comments): **AML-related issues:** The portal is public EU infrastructure and is not regarded as an "*obliged entity*" as per Art. 3 AMLR. That means that the Interface does not have a duty to screen, report suspicions, or flag risk patterns to a Financial Intelligence Unit (FIU). Apart from that, there is no provision that requires the portal to detect or report suspicious formation patterns. While we welcome the BRIS-BORIS interconnection, it is necessary to bear in mind that quality depends on the weakest national Beneficial Owner register in the chain. Art. 5 AMLAR (Reg. 2024/1620) coordinates AMLA supervision, but the EU Central Interface falls outside the oversight parameter. This could lead to the creation of a "gate without a gatekeeper". That **contradicts existing EU legislation**, namely the EU AML-framework, entirely and creates issues on a horizontal level where the proposal for an EU Inc. regulation is at odds with the AMLDs and the AMLR. BG (Comments):

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	The envisaged interconnection of business registers through the BRIS system is a positive element that could improve access to information and facilitate the identification of company representatives and addresses. However, it should be noted that the planned preventive control measures for registration focus primarily on formal data requirements, without sufficiently developed mechanisms to verify their veracity, including as regards the identity of applicants and beneficial owners. We would also like to get clarity from the EC on whether it will ensure financial connection of BRIS to the central interface. In this regard, our national register will need to have sufficient time for the technical alignment with the requirements of the Regulation. According to the Bulgarian legislation, in order to make such a change, a public procurement procedure needs to be made, which takes more time DK (Comments): DK needs confirmation that it will be possible to carry out the checks that we already perform. For control purposes, we need to be able to return the application if it does not pass verification—for example, in cases of a non-existent address, etc. EL (Comments): Given the reliance on BRIS as a key component of the digital infrastructure underpinning this Regulation, it may be useful to clarify how the security and resilience of the relevant systems are ensured, including through the application of existing Union cybersecurity frameworks, where applicable, such as Directive (EU) 2022/2555 (NIS2)

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	HR (Drafting suggestions): EU inc central module or similar name should be more appropriate following the true nature of its funcionalities. LV (Comments): Latvia generally supports the regulation set out in Article 15 regarding the establishment and use of the EU central interface, as it promotes digitalisation, cross-border accessibility, and a uniform flow of information at Union level. At the same time, Latvia draws attention to several important practical implementation aspects. In particular, a solution based on the exchange of information between the national registers of 27 Member States and the EU central interface is resource-intensive and does not fully ensure the achievement of the objectives of the Regulation. Such an approach, which provides for the existence of multiple parallel registration channels, creates a complex and difficult-to-understand process for entrepreneurs, as both the place of submission of an application and the obtaining of the information required for submission may take place either in the Member States' registers or via the EU central interface. In Latvia's view, a more efficient and user-friendly solution would be a centralised registration process carried out in one place, using only the EU central interface as the channel for registering the entity in the designated Member State. Moreover, the current regulation does not eliminate the risk of submitting registration applications for the same EU Inc. entity simultaneously in several Member States, whereas a fully centralised approach would allow this risk to be effectively prevented. At the same time, Latvia emphasizes that the establishment of any EU central interface and the related technical integration with national systems requires significant financial and administrative resources. Therefore, it is necessary to

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	ensure appropriate funding from EU sources to cover both the development of the central infrastructure and the adaptation of Member States' systems. In the absence of targeted EU funding, there is a risk that Member States will face a disproportionate budgetary burden, which may negatively affect the timely and high-quality implementation of the Regulation, or its implementation altogether, particularly in light of the allocation of budgetary resources by EU Member States—especially those at the external borders of the European Union—to security-related measures. Accordingly, Latvia calls for the promotion of a clear, efficient, and fully aligned centralised solution in line with the objectives of the Regulation, avoiding the creation of a fragmented registration system and ensuring sufficient EU-level funding for its implementation. PL (Comments): The proposed system must ensure full consistency of data transmitted through the central interface, the national registry, and other relevant authorities, including those responsible for assigning tax, VAT, and social security numbers, as well as beneficial ownership registries. The "once-only" model may reduce the obligations of founders, but at the same time requires a precise definition of which data constitutes source data, which authority is responsible for its accuracy, and how discrepancies between registers are corrected. Without such solutions, there is a risk of data duplication or discrepancies in legal transactions.
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.	AT (Comments): From a data protection perspective, it should be clarified who acts as the **controller** of the "*EU central interface*".

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	HR (Comments): HR EU central interface is not only a digital access point. Functionalities of this system clearly outgrow the definition of a digital access point. That is why it should be called EU inc. module SI (Comments): The proposed Regulation assigns a central role to registration authorities in the life cycle of a company (incorporation, electronic filing, public disclosure, issuance of the European Company Certificate, cross-border registration of branches, and dissolution). Since the Slovenian Business Register does not currently have the role of assessing creditor objections or deciding on deletions in the context of fast-track liquidation, we propose that the decision-making authority and type of procedure be defined more precisely. With regard to the implementation of the once-only principle, it is not clearly defined what the legal effects of reliance on registered data are, nor who bears responsibility for any data errors. Standardisation of data and reporting represents a shift away from national solutions and requires adaptation of existing systems. In relation to Chapters II and III, we emphasise the need for a longer implementation period for all changes in IT systems and their interoperability, of at least 24 months, and suggest exploring the possibility of securing EU funding for the upgrading of information systems. Regarding Article 58 of the proposed Regulation, we note that Slovenian national law also provides for preventive control at the time of acquiring shares, ensuring that a person is not disqualified from becoming a shareholder. The Notary Chamber of Slovenia highlights that the complete removal of notarial or equivalent involvement of a public trust authority eliminates legal oversight, such that parties and third persons can no longer rely on the validity of share transfers, and the company itself may not be able to reliably determine its

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	shareholders. This negatively affects the quality of corporate governance and the validity of shareholders' decisions. A single-stage digital system increases the risk of acquiring shares through fraud or identity theft (corporate hijacking), as transactions may be carried out using compromised electronic credentials.
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.	AT (Comments): It should be ensured that **all documents** submitted through the EU interface are transmitted to the competent business register, and not only the application form and the articles of association. See also comments on para. 7. LU (Drafting suggestions): 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 **in real-time** 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. NL (Drafting suggestions):

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	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 and other enforcement authorities. NL (Comments): Business registers should be empowered to share relevant data with all competent enforcement authorities, including national labour inspectorates and tax authorities. In its current form, Article 15 is too narrowly drafted and does not adequately facilitate such information sharing. The Netherlands therefore proposes to extend article 15 (3).
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.	HR (Comments): HR This provision is the reason why We should define how to overcome differences in object of activities of an EU inc. among MS. Finding object of activity in NACE doesn't mean that certain activity is not subject to previous institutional approval in one MS and not in another MS. HU (Drafting suggestions): 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. **The competent authority shall also examine the fulfillment of the requirements prescribed by its national registration procedures,**

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	<u>including, where necessary, by issuing a request for the correction of deficiencies or the submission of missing information.</u> HU (Comments): In order to ensure the uniformity and integrity of the national business register, an EU Inc. must comply with the same procedural conditions and verification standards as the most relevant national corporate form. MT (Drafting suggestions): To add the following wording: **The reuse of information through the interface under the "once-only" principle shall not exempt the competent national authority from conducting independent verification of the data, identities, and documents where required to ensure data reliability and compliance.** MT (Comments): The reuse of information under the once-only principle should not exempt the registering authority from conducting independent verification where required due to data reliability and verification standards. PT (Drafting suggestions): 4. The decision to register an EU Inc. in the national business register ~~shall remain~~ **is** the responsibility of the competent national authority in accordance with national law compliant with the provisions of this Regulation and other Union law. PT

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	(Comments): (It should be clear, and leave no room for doubt, that responsibility for the registration lies with the competent national authority of each Member State. SI (Comments): Legal interpretation and dispute resolution under the proposal will not be predictable but rather fragmented, which could contribute to forum shopping within the EU.
5. The EU central interface shall enable real-time tracking of the registration status of a company.	AT (Comments): • Clarification is requested as to whether this real-time tracking applies only to formations submitted via the EU central interface or also to formations submitted directly through national registers. • Clarification is requested regarding the **specific procedural steps intended to be reflected** in the real-time tracking system. It appears that this information would need to be supplied by the Member States, raising the question of the legal basis governing such requirements. To ensure technical interoperability, harmonised EU-wide status codes may be necessary. • AT understands the notion of "*registration status*" to refer exclusively to the procedure of registration in the business register and not to subsequent administrative processes, such as the issuance of a TIN or, where applicable, a VAT identification number. AT would welcome confirmation of this understanding. DK (Drafting suggestions):

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	~~The EU central interface shall enable real-time tracking of the registration status of a company.~~ DK (Comments): This is a matter of balance between need to and nice to. The proposed real-time tracking functionality appears to provide limited added value given the 48 hours deadline. In practice founders/users are already informed when a case is received and when the registration process has been completed. The proposed functionality would therefore not materially improve the information available to users. Although the functionality would be provided through EUCI, it would nevertheless require development efforts in all MS, as updates on the status of individual cases would need to be transmitted from national registers and integrated with EUCI. Given the short implementation deadline and the associated IT development costs for MS, any additional requirements should be supported by clear added value. In this case, the expected benefits do not appear proportionate to the effort required for implementation. It is therefore suggested either to remove this requirement or to address it in the recitals as a description of the information flow on a national level, rather than as a mandatory functional requirement. HR (Comments): HR What kind of information will be available on registration status-should be defined here. It is necessary to have the same kind of information provided also by the national business registers. PT

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	(Comments): The provision should refer to the status of the application, rather than the status of the registration SE (Drafting suggestions): ~~5. The EU central interface shall enable real-time tracking of the registration status of a company.~~ SE (Comments): This will create costs, and the value of real-rime tracking must be considered low in relation to how short the process should be.
6. The EU central interface shall provide information about the registration of intellectual property rights, including trade marks and designs.	AT (Comments): Clarification is requested regarding the source, transmission and maintenance of this information. It is unclear which authorities are expected to provide this information, on which legal basis such data transfers would take place, and how the accuracy, completeness and timely updating of this information would be ensured. DK (Comments): DK seeks confirmation that it is not the Member States that are required to perform this check against EUIPO, but that the check has already been carried out by the Commission by time the registration reaches the Member States from the EUCI.

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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.	AT (Comments): It should be ensured that the EU central interface also allows the **submission of additional documents and information** required under national law in cases where recourse to national law is permitted under the Regulation. This may include, inter alia, situations where regulatory law requires licences or authorisations, or where specific declarations and supporting documents are necessary to obtain fee exemptions.
Article 16 ***Fast-track formation through the EU central interface***	AT (Comments): • Consider aligning the **title** more closely with Article 17 and making explicit that the mandatory use of templates applies only to the fast-track procedure and not to all formations via the EU central interface. • **AML-related issues:** We have identified concerns in relation to the fast-track formation. Neither **basic customer due diligence checks** done by banks which can take up to three days nor **enhanced due diligence processes** for high-risk clients that can take up to four weeks can be done in 48 hours. The FATF recommendations, the AMLR and 6th AMLD mandate a risk-based approach which entails more scrutiny for higher risk entities. Art. 16 EU Inc., however, ties the **timeline** to the template type and not the risk profile of the founders. Lastly there is **no escalation clause**. The current drafting of the proposal does not offer any mechanism to investigate potential red flags that could appear during the 48-hour window. Speed creates regulatory arbitrage. Criminals or sanctioned people will use the fastest route precisely because it has the least scrutiny. That would most certainly be the case with business structures such as the EU Inc. as criminals could create EU Incs very quickly for very little

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	capital with no adequate checks that could safeguard the financial cycle from illicit funds. BG (Comments): In Bulgaria, an easy and fast procedure for registration of companies has been established and is functioning, regulated by clear and stable rules, highly appreciated as accessible and understandable by the users of the service. All applications for initial registration of companies received in the information system of the commercial register are examined in the order of their receipt by the end of the next working day after their receipt in the commercial register, and the decision is made immediately after examination of the application, in the absence of any deficiencies found. In this sense, the introduction of an initial entry 'at two speeds' (Articles 16 and 17 of the draft Regulation) is a retreat from the functionality and speed provided by commercial register in the Republic of Bulgaria. EE (Comments): Estonia considers that the requirement to complete fast-track formation within 48 hours and at a maximum cost of EUR 100, as set out in the proposal, should be aligned with the actual capacities of Member States. LU (Drafting suggestions): ***Fast-track formation through the EU central interface using EU templates*** PT (Comments): Article 16 imposes an obligation of result on Member States but at the same time provides no sanctions mechanism or remedies for the applicant, in the

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	event of a breach of the 48-hour deadline. The Regulation stipulates neither a consequence nor an expedited avenue of redress. In practice, the deadline risks becoming merely programmatic, dependent on Commission oversight and potential infringement proceedings SK (Drafting suggestions): We note that the proposal contains multiple options for submitting an application. In practice, we observe that where multiple options are provided, this is not always beneficial and may cause practical difficulties for users.
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.	AT (Comments): It should also be ensured that the procedure allows for the submission of any **additional documents and information** required under the Regulation or applicable national law (cf. comments on Art. 15(7) and 14(2)(e)). SK (Drafting suggestions): On the fast-track procedure – the EC stated that where the registering authority identifies discrepancies, it is assessed on a case-by-case basis whether to reject the application, but that this would not go through the fast-track procedure. Our reading of the proposal is that if an application is submitted with a form as a fast-track procedure, the outcome must be delivered within the set deadline – regardless of whether the registration is refused or approved. It is the person that files the Company application form who chooses the relevant way of registration. In this regards it is not clear, whether a business register can, on its own decision, change the way of registration – it does not look that the proposal requires business registers to do so.

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	We also have a question regarding how registers will communicate with the applicant – where will they send confirmation of registration – to the Business Wallet? Will this be sent via the central interface? This also concerns the authorities that issue the registration under Article 20 (tax and social authorities). This is not merely a technical issue. This has to go in line with national e-governance rules. What is also important to note – as the registration is left out to MSs – the business register can also refuse the registration. The person that files the Company application form has then right to appeal (at least in the Slovak Republic it does) in a certain time period. We believe the question of delivery of the documentation by the business register and filing appeals is crucial and MSs cannot be left without answers, otherwise the implementation of the proposal could not met set deadlines.
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.	AT (Comments): • AT welcomes the Commission's indication that the 48-hour deadline may be replaced by a deadline of two working days and that the starting point of the deadline may be linked to the submission of complete documentation. Both elements should be reflected expressly in the Regulation. AT would also welcome an alignment of the starting point of the deadline with the approach taken in Directive (EU) 2017/1132. However, even a **deadline** of two working days appears very **ambitious**, particularly where substantive legality checks are required. • Clarification is sought as to how **cases requiring more thorough checks** affect the applicable deadlines (and the cost cap). It also remains unclear whether requests to rectify deficiencies are envisaged and, if so, how such

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	requests would impact the deadlines (and the cost cap). Only Art. 13(6) provides for an exception in which the fast-track procedure does not apply. • AT advocates for linking the starting point of the deadline to the **receipt** of the documentation **by the competent national authority** rather than to the submission through the EU central interface. If the deadline is linked to the national register, potential technical transmission issues between the EU central interface and national registers would not affect the running of deadlines. This approach would also ensure that any other delays occurring between the submission via the EU central interface and the actual receipt by the national register (including routine maintenance windows or temporary system unavailability) are not time-relevant. This appears particularly important in light of the very tight 48-hour deadline. • The proposed cost cap of EUR 100 raises **concerns regarding cost recovery and the financing of review mechanisms**. In particular, if preventive control were to be partly shifted to notarial preventive control in accordance with Art. 14(1), it is unclear how both the register authority and notaries could carry out their respective tasks within a EUR 100 cost cap. Such a cap appears incompatible with the actual costs of conducting meaningful legality checks, including substantive review. In addition, the Regulation should provide for an **indexation** mechanism (Art. 108(2) only provides for a review). BG (Comments): Within the 48-hour registration period, we would like to count in working days, and this is clarified in the text. In addition, as regards the 48-hour time limit for the registration of the company, its compatibility with the requirements and controls established under the anti-money laundering package should be clarified.

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	CZ (Drafting suggestions): 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~~ **2 working days** 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. CZ (Comments): A 48-hour deadline for preventive control without limitation to working days is not realistic and may increase the risk of fraud. The deadline should be calculated in working days. DK (Comments): We find it unclear when the deadline starts to run and what deadlines apply if the application is not complete when submitted. It should therefore be clarified that the deadline applies from the time the application is complete. This means that the 48 hours shall start once all the information necessary for the assessment of the case has been received. Furthermore, the deadline should be specified in business days instead of hours. EE (Drafting suggestions): 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

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	1 through the EU central interface, **time limit applying solely to company law aspects of the formation procedure,** and with a maximum cost of EUR ~~100~~ **300** or equivalent sum in the currency applicable in the Member State of registration. EE (Comments): It should be clarified that the requirement to complete formation within 48 hours applies solely to company law aspects of formation. While a 48-hour deadline is realistic within the scope of company law formation, it cannot be linked to procedural deadlines in other areas (such as tax registration or beneficial ownership requirements etc.), which depend on specific legislation and the readiness of data exchange systems. Estonia therefore proposes that the proposal should explicitly state that the 48-hour deadline applies only to company formation procedures. The financial threshold for formation provided for in the proposal should be increased to EUR 300, taking into account that the procedure involves cross-border elements and that registry costs are higher than for purely domestic formations. In Estonia, the state fee for fast-track formation of a private limited company is currently EUR 265 and reflects the procedural costs, including digital checks. If the fee for the formation of an EU Inc. were set significantly lower, it would create an unjustified distortion between the EU Inc. and the Estonian private limited company, placing the latter at a competitive disadvantage. Moreover, an excessively low incorporation fee could increase the risk of so-called shelf companies being used. FI (Drafting suggestions): 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

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	efficiently, however within maximum of 5 business days, 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~~ **corresponding to true processing costs** applicable in the Member State of registration. FI (Comments): FI: **Maximum processing time** The maximum processing time does not take into account weekends or public holidays. The requirement is also very strict in comparison with the time limits laid down in the Codified Company Law Directive, where processing times are generally defined in terms of working days and are at least five working days. In practice, such a requirement (48 hours) would imply that the procedure would need to be fully automated. However, taking into account the requirement for preventive control, this would not be straightforward. Also, it is not clear when the deadline starts to run and what should the authorities do and which deadlines to apply if the application is not complete at submission. Furthermore, the requirement on processing time seems inconsistent with the provision that the handling fee may not exceed EUR 100, as faster processing would most likely entail additional resource needs and thus higher costs. **Maximum fee**

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	We would like to note that the proposed maximum fee does not take into account the fact that, at least in some Member States, the financing of business registers is based on handling fees (net budgeting). In such systems, the handling fee is intended to cover the costs incurred in processing the filing. In this respect, reference could be made to Directive (EU) 2017/1132, Article 13d(2), which provides that fees for online procedures shall not exceed the recovery of the costs of providing such services. In many MS, the proposed maximum fee of EUR 100 would not allow for the recovery of the actual costs incurred in processing filings. One possible approach would be to set substantially higher maximum fee, while at the same time clarifying in the provision that the handling fee may not exceed the actual costs incurred in processing the filing. In addition, the maximum fee should be linked to an appropriate index so that it would be adjusted in line with that index over time. FR (Drafting suggestions): 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 **15 days (which could be expanded in the case of an in-depth review)** 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 FR (Comments): To allow sufficient time for the relevant authorities to carry out preventive checks, as discussed in the WG, a delay of 15 days is required.

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	HR (Drafting suggestions): HR 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 2 working days ~~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. HR (Comments): HR 48 hours is not reachable because preventive controls can last up to 7-14 days and 100 eur as a maximum cost is questionable. We need to put a deadline for preventive control and registration as an indicative and not strict deadline having in mind differences in MS in these areas. HR Preventive controls can last in some cases quite long and that prevents the proposed 48 hours principle to be achieved. HU (Drafting suggestions): 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~~ **2 working days** 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. HU (Comments):

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	We recommend changing the 48-hour deadline to two working days to ensure that the accuracy of the director's declaration regarding disqualification from the position of director can be properly verified through BRIS. Furthermore, if the application is submitted on a public holiday or weekend, the 48-hour deadline cannot be met in practice. LU (Drafting suggestions): 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**~~ **two business days** 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. LU (Comments): LU expresses a general reserve on the ability to ensure rigorous legality checks within such short timeframe and under capped fees. This concern is even more prevalent in jurisdictions where the supervisory authority is not located at the level of the national register, as is the case in Luxembourg. Furthermore, LU recalls that Directive (EU) 2017/1132 provides for longer timeframes for the online incorporation of the companies it covers. LU therefore questions the appropriateness of this differentiated treatment with respect to the incorporation of "EU Inc." entities. LV (Drafting suggestions): 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~~ **2 working days** from the submission of the documents

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	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. LV (Comments): Latvia objects to the setting of a 48-hour deadline for the registration of EU Inc. entities. In order to ensure the preventive control provided for in Article 14 of the Regulation, it is necessary to review the submitted articles of association. Such a review can only be carried out in full manually by competent staff of the national registers. It should also be taken into account that there are objective situations in which registration within 48 hours is not possible, for example where an application is submitted on weekends or public holidays. Latvia therefore calls for the registration deadline for EU Inc. entities under the accelerated procedure to be expressed in working days rather than in hours. MT (Drafting suggestions): To add the following proviso: **Provided that the forty-eight (48) hour period referred to in this sub-paragraph shall be suspended by the competent national authority where additional verification is required to ensure the reliability of data and compliance with the law. Such a suspension shall be triggered in any of the following circumstances:** **a) incomplete documentation;** **b) identity verification;** **c) high-risk alerts related to Anti-Money**

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	d) Laundering (AML) or Countering the Financing of Terrorism (CFT); **e) National control requirements.** **Provided further that upon suspension, the competent national authority shall notify the applicant of the specific reasons and any required remedial actions. The forty-eight hour period shall resume only once the authority is satisfied that all discrepancies have been resolved and the verification standards have been fully achieved**. MT (Comments): The proposed acceleration and digital-by-default approach, particularly the 48-hour online formation process, may weaken preventive administrative controls, with direct implications for national AML, KYC and UBO verification framework, where national business registers must retain final authority. Also to allow competent authorities to suspend the 48-hour timeline where UBO documentation is incomplete, flagged as high-risk, or requires enhanced due diligence. NL (Comments): The Netherlands is of the opinion that the timeframe for the fast track procedure should be expressed in working days. Furthermore, the Commission has indicated that the fast track procedure is paused in case of signals of fraud, misuse or if further enquiries are necessary. The Netherlands believes it is necessary this is specified in the text (see also our comments on article 14). PL (Comments):

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	The strict deadline for company registration (48 hours) specified in paragraph 2 may raise concerns as to whether the tax authorities can adequately verify a new entity within that timeframe. The draft also does not specify how deadlines are to be calculated, which, given the differences in public holidays among Member States, may lead to significant legal discrepancies (consequences). It is reasonable to specify in this provision that the 48-hour deadline for conducting a preventive check should begin to run from the moment all formalities required for the formation of companies have been completed. This method of determining the start of the deadline was adopted in Article 13g(7) of Directive 2017/1132. PT (Drafting suggestions): 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 **5 working days** ~~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 PT (Comments): We consider the time limits set out in the Proposal (48 hours and 5 working days, pursuant to Articles 16 and 17, respectively) to be rather short for the legality checks that must be carried out by the national commercial registers. As a result, those registers would be subject to significant time pressure, which could compromise the effectiveness of the legal scrutiny required to ensure legal certainty. It is also necessary to take into account situations where deficiencies in the application need to be remedied, as in such cases compliance with the prescribed deadlines may no longer be feasible.

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	SE (Drafting suggestions): 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 **as simple, efficient and cost-effective as possible** ~~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.~~ SE (Comments): Balance here is of importance. For example, it must be more important that preventive checks are actually carried out than that registration can take place within 48 hours. To ensure the possibility to carry out preventive controls, it might not be realistic to withhold a rule stating that registration shall be completed within 48 hours. The deadline for registration must not become a tool for undermining national rules which aims to protect other interests, such as countering criminality in the business sector. In the context of preventive controls, it must be possible to require the physical presence of the company's representatives. The physical presence must be something that all relevant authorities have to possibility to require, e.g. both the authority registering the EU Inc. and the tax authority. There must also be enough time to control whether a person applying to become a director is disqualified in the registering MS or in another MS. We also find it unclear when the deadline starts to run and what deadlines apply if the application is not complete when submitted. If there should be a deadline, there should also be made clarified that the deadline applies from

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	the time the application is complete. Nor is it clear what happens if the registering authority considers that there are obstacles for registration. When it comes to the maximum cost of 100 euro, that fee is lower than the cost for registration of a limited liability company in several Member States. It does not appear justified that it should be cheaper to register an EU Inc. company than to register an ordinary limited liability company, especially as EU Inc. companies are to be treated more favourably in relation to application deadlines. The fee should correspond to the cost of registration, and the decision of the amount should be for each MS to decide upon. Moreover, it would be unfortunate to set a certain amount in the regulation, as this means that the act must be opened at regular intervals in order to adapt that amount to inflation. SI (Drafting suggestions): 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 two working days ~~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. SK (Drafting suggestions): Regarding deadlines, we agree with the adjustment to 2 working days as proposed by the EC. Our colleagues dealing with the technical aspects of application submissions point out that matching payment confirmation and verifying electronic signatures may cause delays. Linking the start of the deadline period to the submission of the application is therefore not

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	appropriate. Deadlines should be calculated from the moment the registration fee is paid – or rather, from the moment this information is received by the registration authority. It is not clear from the proposal's text on payments whether payment must be made only in "real time" at the point of submission, or whether it can also be made subsequently by bank transfer – the implementation is certainly left out to Member States. In case of the Slovak Republic, these payments are court fees, which are subject to strict rules. We believe it may be problematic to place the burden on commercial registers, which carry out the registration but may never subsequently receive the registration fee.
	FR (Drafting suggestions): **3. Member States shall ensure that the business register suspends the registration process if a verification under Article 14 fails to confirm the required elements. The suspension shall remain in place until sufficient information has been provided. The business register can eventually dismiss the application if the claimants ultimately fail to provide sufficient information.** FR (Comments): It needs to be clarified that the process is suspended in cases of doubtful documentation
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.	

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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.	
	LU (Drafting suggestions): **3. The fast-track formation shall not apply:** **(a) if the physical presence of a person is required in accordance with article 10 (3);** **(b) if there are circumstances which could lead to a disqualification of the prospective directors in accordance with article 13 (6);** **(c) if there are any considerations for shares, whether in cash or in kind, to the EU Inc. in accordance with articles 64 and 65.** LU (Comments): In line with Commission's explanations, we suggest adding a third paragraph to explicitly lay out cases in which the fast-track procedure is not applicable to improve clarity of the regulation. LV (Comments): **Regarding Article 16(2) in conjunction with Article 17(2), Article 27(2), and Article 37(2)** Latvia objects to the different registration deadlines provided for in the Regulation. Currently, the Regulation stipulates that the registration of EU Inc. entities and branches in the registers of the Member States is to be carried out within 48 hours under the accelerated procedure and within five working days under the ordinary registration procedure, whereas the registration of changes

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	to EU Inc. entities and the registration of branches under the ordinary procedure is to be carried out within ten working days. Latvia considers that such a diversity of registration deadlines is not justified and calls for their simplification by establishing fewer, clearer, and mutually aligned deadlines.
Article 17 ***Formation trough the EU central interface without using EU templates***	AT (Comments): **AML-related issues:** In our opinion, a period of five days is the better option, but fundamental gaps remain. Ultimately the timeline depends on the document type and not on who the applicant is. Custom articles enable multi-class share structures (e.g. supervoting or profit-only shares) that separate legal control from economic ownership, which is a classic concealment technique. Apart from that there are no differences in accordance with different risk classifications. That means that a founder from a FATF-listed high-risk jurisdiction (for example Iran and North Korea) gets the same 5-day process as a low-risk EU applicant. As is the case with Art. 16, Art. 17 does not require the authority to document or conduct a risk assessment. Disregarding a fundamental principle of AML – the **risk-based approach** – leaves room for concern. Therefore, we cannot use the same set of standards for different categories of risks. BG (Comments): In Bulgaria, an easy and fast procedure for registration of companies has been established and is functioning, regulated by clear and stable rules, highly appreciated as accessible and understandable by the users of the service. All applications for initial registration of companies received in the information system of the commercial register are examined in the order of their receipt by the end of the next working day after their receipt in the commercial register, and the decision is made immediately after examination

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	of the application, in the absence of any deficiencies found. In this sense, the introduction of an initial entry 'at two speeds' (Articles 16 and 17 of the draft Regulation) is a retreat from the functionality and speed provided by commercial register in the Republic of Bulgaria. LU (Drafting suggestions): *Formation t**h**rough 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.	AT (Comments): See comment on Art. 16(1). FR (Drafting suggestions): 2. The preventive control carried out in accordance with Article 14 and the registration of the EU Inc. shall be completed within **15** days from submission of the application form and the articles of association **which could be expanded in the case of an in-depth review.** **3. Member States shall ensure that the business register suspends the registration process if a verification under Article 14 fails to confirm the required elements. The suspension shall remain in place until sufficient information has been provided. The business register can eventually dismiss the application if the claimants ultimately fail to provide sufficient information.** FR (Comments): The purpose of this drafting suggestion is to strengthen the fight against fraud in business formation by ensuring that the authorities responsible for

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	preventive oversight have sufficient time to conduct investigations aimed at detecting fraud. Coordination with the drafting suggestion under art. 16. SE (Comments): The amount of the fee for registration in the cases covered by this article must be clarified. Since the article does not regulate this issue, we presume that the Member States are free to decide which fee shall be required and that they are free to ask for the same fee as when they are registering a national company.
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.	AT (Comments): • For the reasons set out in relation to Art. 16, the **deadline** of five working days appears very short where individually drafted articles of association are used. This applies all the more as the Regulation allows for a high degree of freedom in drafting the articles, which may require more extensive review. Moreover, the corporate framework of an EU Inc. is itself based on a combination of the Regulation and national law, which further increases the complexity of the assessment and reinforces the need for adequate time for legality checks. • The **comments on Art. 16** regarding the starting point of the deadline and the treatment of cases requiring additional clarification apply *mutatis mutandis*. DK (Comments):

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	Our comments to article 16 regarding deadlines are relevant also for this article. HR (Drafting suggestions): HR We suggest because of the above stated reasons this deadline to be only suggested and not mandatory. HR (Comments): HR Preventive controls can last more then 48 hours. LU (Comments): LU expresses a general reserve regarding the ability to ensure rigorous legality checks within such short timeframe. This concern is even more prevalent in jurisdictions where the supervisory authority is not located at the level of the national register, as is the case in Luxembourg. Furthermore, LU recalls that Directive (EU) 2017/1132 provides for longer timeframes for the online incorporation of the companies it covers. LU therefore questions the appropriateness of this differentiated treatment with respect to the incorporation of “EU Inc.” entities. PL (Comments): The five-day period for conducting a preventive inspection should begin once all formalities required for the formation of companies have been completed. This method of determining the start of the period is set forth in Article 13g(7) of Directive 2017/1132. PT (Drafting suggestions):

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	2. The preventive control carried out in accordance with Article 14 and the registration of the EU Inc. shall be completed within **10** ~~5~~ working days from submission of the application form and the articles of association. PT (Comments): We consider that a period of 10 working days would be more reasonable and prudent. Alternatively, a deadline of at least 8 working days should be provided. SE (Drafting suggestions): 2. The preventive control carried out in accordance with Article 14 and the registration of the EU Inc. shall be completed **as simple, efficient and cost-effective as possible** ~~within 5 working days~~ from submission of the application form and the articles of association.
Article 18 ***Fully online formation with the business register***	AT (Comments): **AML-related issues:** Austria is concerned about the proposed fully online formation with the business register. A company registered in the Member State with the potentially weakest de facto controls is immediately valid everywhere in the EU which means that regulatory arbitrage is built into the design. 6th AMLD sets minimum standards for BO registers, but not for the quality of registration controls. Furthermore, once the EU Inc. label is granted, other Member States cannot re-examine the AML adequacy of the original registration.
	LT (Comments):

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	LT considers that clarity is needed on the expected scope and technical requirements of the automatic name check to be ensured by national business registers under this Article.
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.	DK (Comments): Our comments to article 16 regarding deadlines are relevant also for this article. HR (Comments): HR It should be clarified that deadline from Article 16 (2) of Proposal is not applicable in this situation. Article 13.g (5) of Directive 2017/1132 shall be applied. LU (Drafting suggestions): 1. Where an EU Inc. is formed with the business register, **Member States shall ensure that** the formation ~~**shall**~~ **may** be carried out fully online by using the application form in accordance with Article 13 and the articles of association. LU (Comments): See our comment in article 10 (1) on paper-based procedure. SE (Comments): Our comments to article 16 and 17 regarding deadlines and control mechanisms are relevant also for this article.

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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).	CZ (Comments): The provision appears to imply the availability of fast-track registration in situations where, according to COM explanations, it should not apply or is not feasible (e.g. contributions, AML concerns, indications of director disqualification). This may create legitimate expectations on the part of applicants. The provision should clearly and exhaustively define the conditions under which fast-track registration applies. This could also be done in another Article. HR (Drafting suggestions): HR The preventive control shall be carried out in accordance with Article 14. When 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)~~ 13.g (5) of Directive 2017/1132. HU (Drafting suggestions): 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). **(3) Where an EU Inc. is formed without using the EU templates, the preventive control shall be carried out - if mandated under national law - by a person or body mandated under national law to deal with any aspect of the procedure, prior to the submission of the application form and the articles of association.**

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	HU (Comments): It follows from Article 8(2), that in the case of formation without using EU templates, the national law may require to engage a person or body mandated under national law (such as a notary or a lawyer) to deal with the formation process. In such cases, where national law already provides for this mandatory involvement, it is appropriate for that person or body to also carry out the preventive control to ensure the legality of the articles of association and the formation procedure before the application is filed. LU (Drafting suggestions): 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**s** 16 (2) and **16 (3)** and in other cases under the conditions laid down in Article 17 (2). LU (Comments): See comments on article 16 (2) and 17 (2).
Article 19 ***Formation of EU Inc. subsidiaries***	AT (Comments): **AML-related issues:** In our opinion, Article 19 is one of the most concerning provisions with regard to AML. **Unverified ownership data from the parent cascades into every subsidiary automatically and without review.** Apart from that we would like to point out that layered corporate structures are one of the most common money laundering techniques. Art. 19 makes building them faster and cheaper. As regards existing EU legislation, **Art. 62-63**

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	AMLR requires **identification of beneficial owners at every level of a group**. The registration process bypasses this logic entirely. The Transfer of Funds Regulation requires accurate originator/beneficiary info on intra-group transfers. If the underlying BO data is wrong from the beginning, TFR compliance is hollowed out. Furthermore, the Instant Payment Regulation enables transactions within a few seconds upon initiation. This means that transactions can pass through unverified accounts and facilitates the handling of large sums of money within seconds. We are concerned that one bad registration can seed an entire illicit corporate tree across multiple Member States. This can be demonstrated by a specific case. The Bangladesh Central Bank Cyber Heist took several hours and the layering took several days. With the fast creation of an EU Inc without intermediaries, stealing and layering of illicit funds would now be possible in seconds. In the abovementioned case the perpetrators initially tried to steal 1 billion US Dollars, and the investigation afterward took months.
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.	AT (Comments): As already noted during the Working Party discussions, AT considers an early update of the annexes to Directive (EU) 2017/1132 important.
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.	AT (Comments): See comment on para. 1.
3. In case of registering a subsidiary in another Member State, the business register registering the subsidiary shall automatically	

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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.	AT (Comments): The purpose of para. 4 remains unclear. Further explanation would be welcome. LU (Drafting suggestions): ~~**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.**~~ LU (Comments): LU would like clarifications from the Commission on the rationale of this paragraph: if the subsidiary is registered in the same Member State as the registering company, its information should already be available in the register. LU suggests deleting this paragraph.
Article 20 ***Once-only submission for authorities***	AT (Comments): • **AML-related issues:** The once-only principle is efficient - but it multiplies errors. Unverified BO data from the registration is automatically distributed to multiple public authorities without further confirmation. **Art. 11 6th AMLD** requires obliged entities, such as banks, notaries or

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	lawyers, to **file discrepancy reports** when BO register data does not match their own findings. This assumes the register is a reliable baseline. **In the case of an EU Inc. creation, verification of the baseline cannot be guaranteed.** The BO register in turn receives a data stream from a standardized form, which cannot be regarded as a verification. Once bad data enters the system, correcting it requires prior detection and the reporting of a discrepancy which can be considered a passive catch for an active risk. This can also trigger **cascading effects** which lead to Financial Intelligence Units (FIUs), AMLA and law enforcement not being able to gain access to accurate and current information on beneficial owners as set forth in 6th AMLD. Due to the EU Incs. being the sole responsible entity for submitting the registration that cannot be verified, there is no intervention possible. • From a **data protection** perspective, Member States should be allowed to adopt more detailed rules on how the once-only principle and the **exchange of data between the various authorities** are to be organised in practice. It should therefore be clarified that the Regulation contains an **appropriate opening clause** in this respect. The same consideration applies to Art. 39. EL (Comments): Consideration could be given to ensuring secure electronic submission channels and protection against manipulation, unauthorized access or service disruption. LU (Comments): LU has a scrutiny reserve on the technical feasibility of this article.

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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.	AT (Comments): • As regards provisions relating to tax law, see **comment under Art. 4(1)**. • As regards provisions relating to the beneficial ownership register see **comment under Art. 13(3)(d)**. • The provision should set out more clearly which specific data are to be transmitted and to which authority. In particular, it remains unclear what is meant by "***information about the EU Inc.***"; clarification is requested as to whether this term refers exclusively to publicly available information and documents contained in the business register. CZ (Comments): In several Member States, including CZ, business register data are already publicly accessible 24/7 and can be used directly by public authorities. Automatic transmission of such data may therefore create unnecessary administrative and IT burdens. It should be clarified that the "once-only" principle is fulfilled where data are accessible to authorities and are not required again from the company (as pointed out by the second paragraph). HR (Drafting suggestions): HR Following the registration of an EU Inc., with the business register and proposed provision 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

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	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. HR (Comments): HR immediately exchange-very difficult to identify when that is going to be and if We leave it this way, what are the registers going to do if technical problems occur. delete immediately-deadlines should be precise and We cannot define what immediately means in this procedure. Leave just the word "exchange". We suggest using the terminology from this Article, par.3. "without delay". LU (Drafting suggestions): 1. Following the registration of an EU Inc., with the business register, that business register shall ~~**immediately**~~ **without undue delay** 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. LV (Comments): Latvia does not support the possibility of submitting an application for the allocation of a VAT identification number simultaneously with the registration

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	of an EU Inc. in the business register. Council Directive 2006/112/EC on the common system of value added tax allows Member States to determine the process for the allocation of VAT identification numbers in accordance with their VAT administration policies. In Latvia, the allocation of a VAT identification number is not an automatic process, but involves a detailed analysis of the taxpayer's economic activity based on the information provided. The purpose of this approach is to reduce the risk of VAT fraud. Consequently, in Latvia, a significantly broader scope of information must be submitted in order for an entity to be granted a VAT identification number than is provided for in this Regulation. Although paragraph 3 of this Article provides for the right of Member States to obtain additional information from an EU Inc. where this is necessary for the allocation of a VAT identification number and where such information cannot be obtained elsewhere, in accordance with the existing practice, such requests for information would be necessary in every case of registration, which in turn could fragment and significantly complicate the overall registration process. In Latvia, the allocation of VAT identification numbers is ensured by the tax administration in a digitalised manner, which simplifies the process. Latvia considers that when registering an EU Inc. in the business register, it is not necessary to simultaneously submit incomplete information for the allocation of a VAT number; instead, the entity should be informed of the nationally established procedure for obtaining a VAT identification number. At the same time, Latvia emphasises the need to clearly regulate the conditions for the allocation of a VAT identification number, namely by clarifying whether it is granted in all cases or only where the entity concerned has explicitly requested it during the registration process. MT (Drafting suggestions): The text should read as follows:

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	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~~ **for** 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 MT (Comments): Any such requirements for VAT purposes should be included in the VAT Directive. Furthermore, scrutiny reservation as internal analysis is still ongoing and not finalised. More time is needed to better evaluate operational considerations here. PL (Comments): In Poland, the registration authority does not forward information to the competent social security authority. At first glance, it appears that imposing such an obligation on the registration authority would be disproportionate and would place an excessive burden on it. The draft regulation could leave it up to Member States to decide whether to establish such a communication channel. PT

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	(Comments): On the subject of the VAT identification number, see comments included in Article 13(3)(c) of this Regulation. SE (Comments): It is important that the application form for registering the company will be carefully designed to ensure that all necessary information is included. SK (Drafting suggestions): The proposal does not provide for the possibility of standard verification of information submitted in a VAT registration application. Explanation: Art. 22 of Council Regulation (EU) No 904/2010 of 7 October 2010 on administrative cooperation and combating fraud in the field of value added tax obliges Member States to take the necessary measures to ensure that the data provided by taxable persons and non-taxable legal persons for the purposes of their identification for VAT, in accordance with Art. 214, are complete and accurate, and Member States shall introduce implementing procedures to verify this data based on their risk assessment. This verification should in principle take place before VAT identification, or where only preliminary verifications are carried out before VAT identification, no later than six months after such identification. The proposed regulation is not clear on whether a Member State has the option to reject a VAT registration application on the grounds of non-fulfilment of the conditions for tax registration. This is in direct conflict with the Slovak Republic's commitment to combating tax fraud. The proposal does not specify what type of VAT identification number the company is applying for, i.e. whether the registration application concerns persons with the status of VAT payer or merely persons registered for tax purposes (required to pay VAT only on certain transactions).

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	We believe this issue was also discussed during the Working Party on Tax Questions (High Level) that took place on 24 April 2026 – the results of this discussion are highly relevant for the discussion of the draft proposal.
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.	CZ (Comments): In CZ, the tax identification number (TIN) and VAT number are identical. It should be clarified that the Regulation does not require these to be distinct identifiers. LU (Drafting suggestions): 2. The EU Inc. shall not be required to provide the information referred to in paragraph 1 to the authorities **in charge of issuing the TIN and the VAT identification number** and the beneficial ownership register referred to in paragraph 1 **following its registration**. MT (Drafting suggestions): 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 1where such information is already accessible to those authorities via the exchange referred to in paragraph 1. SE (Comments): The regulations requirement for once-only submission must not prevent actual preventive controls from being carried out, since they are essential for combating abuse and fraud. Tax authorities, among others, should be able to request additional information for this purpose.

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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.	AT (Comments): • As regards provisions relating to tax law, see **comment under Art. 4(1)** and as regrads the beneficial ownership register, see the **comment under Art. 13(3)(d)**. • Without prejudice to AT's position under Art. 4(1) and Art. 13(3)(d), clarification is requested regarding the rationale for referring only to the VAT identification number in the final clause while the provision under para. 3 relates to the public authorities issuing the TIN and the VAT identification number as well as to the beneficial ownership register. Furthermore, under VAT law, not every company or taxable person is entitled to a VAT identification number; rather, only taxable persons who meet certain conditions (see Art. 214 of the VAT Directive). This means that in some cases a VAT identification number cannot be issued at all if the relevant conditions are not fulfilled. Procedurally, the requirement of "*without delay*" issuance and the prohibition on requesting additional information also contradict the provisions of the **VAT Administrative Cooperation Regulation 904/2010** (Art. 22). Accordingly, Member States must ensure the accuracy and completeness of the information provided by persons before a VAT identification number is issued (or at the latest within six months after issuance). HR (Comments): HR Previous comment for OIB and VAT ID number. Wording "immediatly" in this proposal might be replaced with "without delay".

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	LT (Comments): LT notes that the Proposal does not clarify the channel through which such additional information is to be provided where it is required. In particular, it is unclear whether the additional information must be submitted through the business register or directly to the relevant public authority. LT also notes that it is unclear how the provision of additional information in such cases is to be reconciled with the once-only principle underlying Article 20, pursuant to which the business register exchanges the relevant information with the competent public authorities following registration. Where the tax authority or other public authorities require data that is not available in the business register, the Proposal does not specify how such data is to be obtained whilst maintaining consistency with the once-only submission principle. LU (Drafting suggestions): 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 **undue** delay. The EU Inc. shall not be required to submit to those public authorities **in charge of issuing the TIN and the VAT identification number** 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. LU (Comments): LU understands from the Commission's explanation during the WGCL of 27.04.26 that the issuance of the TIN, the VAT identification number and the filing with the register of beneficial ownership will not need to be completed

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	within the deadlines set in articles 16 to 18. "Without delay" means, in the Commission's view, immediately: LU suggest adding the word "undue". The second sentence is redundant with paragraph 2. MT (Drafting suggestions): 3.The EU Inc. shall obtain the TIN ~~and the VAT identification number~~ from the public authorities in charge of issuing ~~them~~ **it** 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.~~ MT (Comments): Any such requirements for VAT purposes should be included in the VAT Directive. PT (Comments): On the subject of the VAT identification number, see comments included in Article 13(3)(c) of this Regulation SE (Drafting suggestions): 3. The EU Inc. shall obtain the TIN and the VAT identification number from the public authorities in charge of issuing them digitally **and as simple and efficient as possible** ~~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

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	information unless it cannot be retrieved elsewhere and is strictly necessary for the purposes of issuing the VAT identification number. SI (Comments): We propose extending the deadline for registry authorities to make technical adjustments to 24 months.
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.	AT (Comments): • See comments on para. 1. • Paragraph 4 only refers to "*public authorities referred to in paragraph 1*" while para. 2 refers to "*authorities and the beneficial ownership register referred to in paragraph 1*". Clarification is requested why there is a **different wording**. LU (Drafting suggestions): 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 **and filed by the EU Inc. in accordance with paragraph 25**. LU (Comments): The register can only transmit change in information to other authorities if such change is filed (which would not be the case for example if the only change is the beneficial owner – in this case the Commission confirmed

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	during the WGCL of 11.06.2026 that the EU Inc would file the change directly with the national register of beneficial owners). MT (Drafting suggestions): To inlcude a new sub-article: **The exchange of information referred to in paragraph 1 shall not exempt the competent national authorities or the beneficial ownership register from conducting independent verification of the data. Authorities shall be entitled to request confirmation or re-verification of information from the EU Inc. where reasonable doubts exist as to the accuracy, authenticity, or currency of the data retrieved through cross-border systems or the EU central interface.** MT (Comments): Over-reliance on cross-border data without validation is deemed as a risk. Authorities should therefore be entitled to request confirmation or re-verification of data where reasonable doubts exist as to its accuracy or authenticity.
	CZ (Drafting suggestions): **5. The public authorities referred to in paragraph 1 may require additional information about the EU Inc. in case the information referred to in paragraph 1 does not suffice to conduct the registrations.** CZ (Comments):

Commission proposal	Drafting suggestions and Comments
	It has been clarified by the Commission that authorities may request additional information beyond the application form for specific registrations. This approach is supported; however, it should be explicitly reflected in the legal text to avoid creating unrealistic expectations among applicants that no further information will be required. ES (Drafting suggestions): ***"[new paragraph 5] 5.*** "Through the exchange of information between the aforementioned public authorities, business registers shall carry out the relevant checks on existing companies that have fulfilled their tax and social security obligations, in order to deem their applications for incorporation as 'EU Inc.' admissible." ES (Comments): To ensure that existing companies wishing to avail themselves of this new pan-European optional corporate regime have duly fulfilled their obligations in all these areas. In this way, the undesirable effect of companies failing to comply with their legal obligations being able to opt for conversion into an EU Inc., subject themselves to a new jurisdiction and evade action by the authorities of their country of origin will be avoided. This amendment would reinforce consistency with Directive 2019/2121 as regards cross-border conversions, mergers and divisions, which already provides in its Recitals 35 and 51 for the monitoring of compliance with these obligations in the context of a cross-border operation, a requirement that must also apply to the creation of an EU Inc. in the case of existing companies wishing to avail themselves of this new optional regime.
Article 21	AT (Comments):

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Creation through domestic and cross-border conversions, mergers or divisions	• **AML-related issues:** The conversion of an existing company is a known risk vector. 'Aged shells' – companies with a trading history – are more trusted by banks and harder to flag as suspicious. As a consequence, banks may not trigger a new Customer Due Diligence (CDD) review upon conversion. The EU Inc. inherits the reputation of its predecessor without a fresh AML assessment. However, already existing EU legislation, namely **Art. 17 AMLR** requires a new CDD review in case of material changes. A change in the legal form without potentially new beneficial owners is a material change that is not reflected in Art. 21 EU-IncR. Cross-border mergers split AML responsibility across multiple national authorities. AMLA does not currently coordinate conversion-related AML reviews. EE (Comments): Estonia considers it necessary to exclude from the proposal the requirement of a two-year waiting period for the establishing of an EU Inc. through reorganisation, as this constitutes an unnecessary additional restriction on business, given that a company can be newly established as a new entity without such limitations and that safeguards are already in place in EU company law to prevent potential abuses. HR (Comments): HR These transformations and formations that include Eu inc. might complicate existing procedures on national level, especially for creditors and transfers of assets from one company to another and from one MS to another. This might open the door for missuses on EU level, especially for creditors. Further discussion needed on this provision. PT

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	(Comments): Further consideration could be given to the level of harmonisation applicable to conversions, mergers, divisions and liquidation procedures. While the proposal provides a common framework for these operations, several important aspects remain subject to national law, including certain creditor protection mechanisms and procedural safeguards. This may lead to differences in the treatment of cross-border corporate reorganisations and affect legal predictability for companies operating across the Union. In this context, it may be worth exploring whether a greater degree of harmonisation in areas such as solvency assessments, creditor notification and objection rights could contribute to enhanced legal certainty and a more consistent application of the EU Inc. regime.
1. In addition to formation referred to in Articles 16 to 18, an EU Inc. may be created by any of the following methods:	SE (Comments): The possibility of converting existing companies into EU Inc. companies should primarily apply to private limited liability companies. As regards the conversion of public limited liability companies, it needs to be taken into consideration that the shareholders of an already existing public limited liability company have invested under certain conditions, including the investor protection provided by existing company law or finance market law. It does not appear necessary, in order to achieve the objective of the proposal, to deprive shareholders of this protection by letting an existing public limited liability company convert to an EU Inc. Alternatively, the conversion of public limited liability companies to EU Inc. companies should not be possible unless such a decision is subject to clear safeguards, for example, a requirement for a certain majority of all shareholders in terms of both the stated votes and the shares represented at the general meeting.

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(a) the domestic conversion of an existing company;	HR (Comments): HR Domestic conversion should't be a problem but is there a possibility to harmonise the procedure a bit more with this Regulation.
(b) the domestic merger of existing companies;	HR (Drafting suggestions): HR b) the domestic merger of existing companies by forming an EU inc. company. HR (Comments): HR The purpose of merger should be clearly stated and that is forming of EU inc., because in national registers We have another, very similar procedure of merger.
(c) the domestic division of an existing company;	HR (Drafting suggestions): HR c) the domestic division of an existing company by forming an EU inc. company. HR (Comments): HR Division can be performed under national law, so in here it should be stated that an EU inc. should be a product of this division.
(d) the cross-border conversion, division or merger of limited liability company or companies.	HR (Drafting suggestions):

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	HR d) the cross-border conversion, division or merger of limited liability company or companies by forming an EU inc. company. HR (Comments): HR Cross-border changes in this context must be clear on their purpose.
2. Creation of an EU Inc. by a domestic conversion shall be governed by the national law applicable to the converting company.	CZ (Comments): A domestic change of legal form will require implementation in national legal systems. As this constitutes a method of company formation, such implementation must be completed by the time the Regulation becomes applicable; otherwise, significant practical problems may arise. If the implementation period is not extended, this method of formation should be made available to founders at a later stage through an appropriate transitional provision.
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.	CZ (Drafting suggestions): ~~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.~~ CZ

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	(Comments): We do not see any need for such a strict limitation for national operations as opposed to the cross-border operations. Since it easy to set a company in a different Member State and carry out a cross-border operation with this newly created company, the rule can be easily circumvented. EE (Drafting suggestions): ~~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.~~ EE (Comments): The two-year waiting period is an unjustified restriction which does not contribute to legal certainty, while limiting the possibility for flexible restructuring (such as raising investment or carrying out group reorganisations). Directive (EU) 2019/2121 on cross-border conversions, mergers and divisions, as well as the corresponding national implementing rules in the Member States, are already sufficiently detailed and provide for a comprehensive set of safeguards to effectively prevent potential abuses. Those rules would also apply to the establishment of an EU Inc. by means of reorganisation. PL (Comments): It is unclear to Poland what the rationale is for imposing a restriction whereby a company or companies may participate in a domestic reorganization, merger, or division only if two years have elapsed since their registration or if two financial statements have been approved. No such

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	restriction applies to cross-border transactions. In Poland's preliminary assessment, this restriction appears to unduly interfere with the freedom to conduct business. Poland would like to raise an editorial comment pointing to the need to clarify in Article 21(5) of the draft regulation the systematic reference to Directive 2017/1132, to which this provision refers, by specifying that it concerns the chapters of Title II of that Directive.
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.	LU (Drafting suggestions): 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 Title II** 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.	CZ (Drafting suggestions): 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.~~ CZ (Comments): See the justification for the deletion of paragraph 4.
Article 22 ***Disqualified directors***	AT (Comments):

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	AML-related issues: Art. 22 is the only explicit AML-adjacent safeguard in this Chapter – and it is welcome. However, a **politically exposed person** is not automatically disqualified, but Art. 34 to 38 AMLR require enhanced scrutiny for any PEP. Art. 22 does not trigger this. There is also **no third-country reach** in connection with Art. 22. A person convicted of financial crime in the US or Russia is not captured by Art. 22. However, the FATF standards expect risk management for foreign PEPs and criminal records (see also FATF-Recommendation 12). What is more, directors state whether they know of a disqualification. No automatic database query runs against interconnected registers. **Sanctions screening** is entirely absent – designated persons on an EU, UN or other sanctions lists could self-declare that there are no circumstances leading to disqualification and pass through unchallenged. As already mentioned above, there is no obligation to screen against sanctions lists. Central registers such as the beneficial ownership register are required to conduct those screenings as per existing EU-legislation (namely the 6th AMLD and AMLR). BG (Comments): Article 22 does not make it clear how it applies to managers of EU Inc. who have exercised a profession in third countries (e.g. dual nationals) and how it is checked against them. There is a prohibition for persons deprived of the right to exercise an activity (company manager) in one MS to exercise this activity in another MS. How information is exchanged to ensure this provision. Is the entire register for disqualified persons connected via BRIS ? If so, we would like to clarify this in the specific text. DK (Comments):

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	The provisions governing the verification and possibility of disqualifications of directors are already set out in Directive 2025/25. It should therefore be considered whether a separate provision is necessary in this Regulation. This is particularly relevant because there is no harmonisation of the rules of disqualifying, and the reason for disqualifying a director differentiates from MS to MS. FI (Comments): FI: We note that the provisions on disqualifications of directors are provided for in Directive 2025/25, and the national rules may diverge based on the register state. .
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.	AT (Comments): • Para. 1 refers to the "*Member State concerned*", whereas Art. 13(3) refers to the "*Member State of registration*". Clarification is requested whether a different meaning is intended. Moreover, see comment on Art. 13(5) with regard to the **wording** "*disqualification in the Member State of registration*". • Para. 1 appears to address only the time of formation and the notification of subsequent appointments. It remains unclear how situations are to be handled where a **director becomes disqualified after registration**. Clarification is requested as to how such disqualifications are intended to be taken into account and enforced. HU (Drafting suggestions):

Commission proposal	Drafting suggestions and Comments
	Persons applying to become directors of an EU Inc. shall declare whether they are aware of any circumstances which could **prevent them from becoming a director or** 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. HU (Comments): This amendment clarifies that the declaration is not limited to the specific legal term of disqualification, but encompasses any circumstances or legal impediments under the national law of the Member State concerned that would prevent them from becoming a director of an EU Inc. MT (Drafting suggestions): 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. **Directors shall be subject to non-derogable duties of care, loyalty, and acting in the best interests of the company. Member States shall ensure effective judicial remedies for breaches of directors' duties.** MT (Comments): Governance flexibility must not lead to a "race to the bottom" regarding director accountability and therefore, the 28th regime regulation must include non-derogable rules on director fiduciary duties. The EU Inc. must interact with the Member State's existing judicial system ensuring that if a dispute arises, the national business register's records and the local courts remain the definitive authority for enforcement.

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	PT (Comments): We believe the provision could be drafted differently, so that any person applying to become a director is required to declare that no disqualification grounds apply to them. It is important that directors and managers are aware of, and comply with, the rules that may prevent them from holding office in the relevant Member State. We also understand that the verification of disqualification grounds would not be limited to the incorporation of an EU Inc., but would also take place whenever a new director or manager is appointed. This approach would help ensure that eligibility requirements are assessed throughout the lifetime of the company and not only at the time of its establishment.
2. A person currently disqualified from acting as a director in another Member State may not become a director of an EU Inc.	CZ (Comments): This paragraph seems to be in collision with paragraph 3 – either it is a rule that no disqualified person may become a director of an EU Inc (para 2), or it is a mere possibility to take the disqualification into account (para 3) HR (Comments): HR How are We going to comply with this, because MS have different national disqualification rules? HU (Drafting suggestions): A person currently disqualified from acting as a director in ~~another~~ **any** Member State may not become a director of an EU Inc. HU

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	(Comments): A disqualification in any Member State must automatically prevent a person from becoming a director of an EU Inc. in every other Member State. LT (Comments): LT considers that the practical application of Article 22(2) lacks clarity in cases where the grounds for disqualification differ between Member States. Since the Proposal does not harmonise the substantive grounds for disqualification, a situation may arise where a particular conduct leads to disqualification in one Member State but not in another. It is not clear how Article 22(2) would apply in such cases – in particular, whether a disqualification imposed in one Member State on grounds that do not exist under the law of the Member State of registration would nonetheless prevent the person from becoming a director of an EU Inc. SE (Comments): We find this being an important rule. It is good that the disqualification of a person acting as a director in one Member State shall lead to the disqualification from the possibility to be a director in all other Member States. However, we are concerned that there will be difficult for the business register in one Member State to control if a person is disqualified from acting as a director in another Member State. This will especially be a problem if registration is to be completed within certain time limits. A Member State must be able to verify whether a declaration from a person applying to become a director is correct.

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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).	CZ (Comments): While we agree that disqualification rules should apply to all members of elected bodies of EU Inc., referring to all of them as "directors" renders the proposal internally inconsistent. We suggest distinguishing between all members of elected bodies [referred to in Article 25(1) point (f)] and members of the administrative body pursuant to Article 42(2). EE (Drafting suggestions): 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). EE (Comments): Estonia does not support the automatic mutual recognition of disqualification from acting as a director as set out in the proposal. The substantive criteria and procedures for imposing such disqualifications are not harmonised across the European Union, and an obligation to recognise disqualifications imposed in other Member States in all cases would constitute a disproportionate restriction. The automatic recognition of disqualifications imposed in different Member States may create legal uncertainty and lead to disproportionate consequences, as the grounds, scope and conditions of such disqualifications may differ significantly between Member States. Such an approach is novel in Estonian company law and, more broadly, in judicial practice, and would therefore require additional legal clarity and the development of practice.

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Commission proposal	Drafting suggestions and Comments
	FR (Drafting suggestions): 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). FR (Comments): Rules on disqualification already exist in Article 13i of Directive (EU) 2017/1132. SI (Comments): We propose that the criteria for determining the disqualification of management be harmonised. The BRIS system provides for a two-stage verification process, which places an additional burden on the registry courts. The recipient country receives only the information that grounds for disqualification exist; however, under the current system, it is unclear whether these are grounds that would lead to disqualification under national law, and consequently, the recipient country must request additional information, which lengthens the establishment process.
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.	FR (Drafting suggestions): 4. **National law incorporating** ~~Member States shall apply~~ Article 13i (1), (3), (4), (6) and (7) of Directive (EU) 2017/1132 related to the exchange of information **apply** about persons applying to become directors of an EU Inc.

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	company. **If the exchange of information reveals grounds for disqualification, the Member State of registration must prevent the director from assuming office** FR (Comments): The directive (EU) 2017/1132 provides only for a faculty: "Those rules shall include providing for the **possibility** to take into account any disqualification that is in force". The principle of mutual trust implies that it must be compulsory HR (Drafting suggestions): HR ECRIS could be used as a tool for providing information on criminal record. LT (Comments): LT notes that the Proposal does not provide sufficient clarity on the practical mechanism for verifying disqualifications in other Member States. It is not clear whether the information exchange framework referred to in Article 22(4) would enable a complete and reliable cross-border verification of disqualifications at the time of formation or appointment of a director, nor how this mechanism would operate where a person becomes disqualified after the formation of the EU Inc. LU (Comments): LU shares concerns raised by other delegations on the application of this Article. Specifically, art. 13i of Directive 2017/1132 provides that a Member State can request from another Member State information relevant for the disqualification of directors under the law of that Member State, i.e. the

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	process is not automated. There is no infrastructure to allow the registering Member State to verify automatically whether a prospective director has been disqualified in all Member States. LV (Comments): Article 22 should be assessed together with the 48-hour registration deadline. While Article 22(4) requires Member States to apply the cross-border information exchange mechanism under Article 13i of Directive (EU) 2017/1132 in relation to persons applying to become directors of an EU Inc., it is not clear how this mechanism is expected to operate in practice within such a short timeframe. To the extent that cross-border checks may require requesting and receiving information from another Member State, this may affect the practical feasibility of completing registration within 48 hours. The proposal should therefore clarify how the disqualified directors check is intended to interact with the registration deadlines and whether those deadlines remain realistic where cross-border verification is needed.
	PT (Comments): However, the Article does not appear to provide for any post appointment verification mechanism. An assessment is carried out at the time of appointment, but no subsequent checks are foreseen. This creates the possibility that directors who become disqualified after the establishment of the EU Inc may continue to exercise their functions without any form of follow up control.
Article 23 ***Signature of digital filing via EU central interface***	AT (Comments):

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	AML-related issues: In our opinion, the same concerns as with Art. 13 regarding eIDAS as well as Art. 15 apply. Criminals could misuse the electronic signature for illegal purposes which leads back to the initial problem of insufficient safeguards in the process of company creation. Apart from that, we are concerned that there is no provision that requires the portal to detect or report suspicious formation patterns.
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.	AT (Comments): • See comment on Art. 13(1) regarding the use of **qualified electronic signatures**. • The European Business Wallet is merely a means of transmission; existing formal requirements – such as certifications – remain unaffected, according to Recital 6. It follows that **national certification requirements** may, in principle, continue to apply. It is unclear, however, whether this reservation also applies to signatures within the framework of EU Inc.; clarification would be helpful. • See comment on Art. 13(1) regarding the question how situations involving **joint representation** are intended to be handled where several authorised representatives must act together. EE (Drafting suggestions): 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.

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	FI (Comments): FI: Not sure how this provision is meant to be read. Is it sufficient that the *filing* with the business register relating to such decisions or declarations is signed in accordance with the requirements, irrespective of how the decisions or declarations have been signed? Or, going deeper than that, does the provision require that all the company's internal *decisions* or declarations must be signed in the manner prescribed in that Article? FR (Drafting suggestions): 1. Any documents and information filed via the EU central interface shall be signed by means of **qualified** 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 FR (Comments): To ensure a high level of assurance HR (Comments): HR Article 13. Company application form – electronic identification means and Article 23. - Signature of digital filing via EU central interface

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	Recent case in Croatian court register: a citizen of one of the Member States used our court register web page to incorporate a company and the system didn't accept electronic signature that was used. Dealing with this issue, We established that electronic signature used in this case was AdESig-QC (advanced electronic signature) and our system accepts qualified electronic signature level QESig. On the web page of the European Commission validation of accepted signature can be done and there is also the list of acceptable signatures credentials in Member States: https://ec.europa.eu/digital-building-blocks/DSS/webapp-demo/tl-info (EU trusted list) and https://ec.europa.eu/digital-building-blocks/DSS/webapp-demo/validation Example from Regulation proposal: "Article 59. par.4. (Digital procedure for the transfer of shares) states: "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." Also, advanced electronic signature with verification is found in Art.67. par.6. (Issuance of new shares). On the other hand, this Regulation proposal identifies in Art.84 par.2.a) and d) (fast-track liquidation procedure) the requirement of qualified electronic signature when establishing director (appointed persons) declarations of the

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	EU Inc. That might lead to the conclusion of different rules for persons like directors of EU Inc. and those who are not directors. Article 23. Signature of digital filing via EU central interface refers to Regulation (EU) No 910/2014, regulating in general signature by means of trust services. This Article might be one of the places in par.2. to define type of signature and trust service required for each of the filings: forms for the filings by or on behalf of the company, any resolutions of the general meeting, any resolutions of other company bodies, any personal declarations by the persons concerned of on behalf of them. This signature requirement shouldn't leave any possibility for diversified interpretation. The "quality" of electronic signature used for example to sign resolution of a company body when submitted via EU interface or national register shouldn't differ from the "quality" of signature for Articles of association. Uneven recognition of qualified e-signatures, proxy validation etc. is described in Annex 2 (stakeholder consultation-synopsis report-page 17). That is the reason why requirements of qualified or advanced signature, for the purpose of EU Inc. incorporation and further changes, should be of the highest standard and unified for Member States. In this context qualified electronic signature as defined in Regulation (EU) No 910/2014 should be a prerequisite in these procedures. Additionally, Article 42. par.2. of this proposal allows that some of the board of directors' members can be residents of non-EU countries, how are We going to comply with this in practice, regarding the Article 13. par.2, because application form that shall be used for all cases of formation of an EU Inc.

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	company, should be electronically signed by means of trust services regulated by Regulation (EU) No 910/2014. SE (Comments): It is positive that the proposal allows for the use of the European Business Wallet. We believe it can be an important tool for companies. However, it does not appear likely that the European Business Wallet will be in place when the EU Inc. regulation becomes applicable. It is unfortunate that the regulation refers to technical solutions that may not yet have been implemented when the regulation is to be applied. We need to take this aspect into account in the ongoing work. SK (Drafting suggestions): With regard to comments on Article 27, we do believe that accounting documents should not be subject to this requirements. Our Ministry of Finance has pointed out, that in some cases there is the format prescribed by different EU legislation.
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;	LU (Drafting suggestions): (b) any resolutions of the general meeting **resulting in a change to the information that must be disclosed in accordance with Article 25**;

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	LU (Comments): LU would like the Commission to explain the rationale of this paragraph, as normally resolutions of the general meeting are signed after the meeting and in any case prior to their filing. In addition, only certain resolutions (e.g. resolutions of the general meeting amending the articles of association) should be subject to a filing obligation.
(c) any resolutions of other company bodies;	LU (Drafting suggestions): (c) any resolutions of other company bodies **resulting in a change to the information that must be disclosed in accordance with Article 25**; LU (Comments): LU would like the Commission to explain the rationale of this paragraph, as normally resolutions of the company bodies are signed after the relevant meetings are held and are in any case not filed with the register (except e.g. where a delegation of authority is granted by the general meeting to amend the articles).
(d) any personal declarations by the persons concerned or on behalf of them.	LU (Drafting suggestions): (d) any personal declarations by the persons concerned ~~**or on behalf of them**~~. LU (Comments):

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	We assume that this item refers at least to the directors' declarations in articles 13 (5), 84(2) , and we suggest deleting this wording as only the concerned directors can make such declarations for the sanctions to be applicable.
Article 24 ***Electronic filing agent***	AT (Comments): **AML-related issues:** Here the same concerns as with Art. 15 apply. What is more, the managing director is not required to sign every document themself and is instead allowed to authorize another person to sign documents and submit forms on their behalf through the central interface. The proposal does not include any obligation of either the entity or the EU central interface to conduct identity checks or further screenings of the filing agent. In these cases, the filing agent would act as Trust and Company Service Provider (TCSP). This is a specific group of professions which, as defined by the FATF, can act as a formation agent of legal persons, a director of a company, a partner of a partnership or a trustee as well as a nominee shareholder among others. The concept of the electronic filing agent is not covered by the TCSP definition of the AMLR, which means that the filing agent would not be considered as an obliged entity under AMLR. As the filing agent would act as a TCSP, the AMLR would need to be amended in order to capture the concept of the filing agent as an obliged entity as well. Involving a filing agent could also result in "functional nominee constructs". In this regard we would like to refer to the obligation to identify nominee shareholders or directors as per Art. 22 in conjunction with Art. 66 AMLR. Art. 24 of the proposal does not include any requirement to submit or maintain adequate, accurate and up-to-date information on the identity of the nominator and the nominator's beneficial owners and disclose them to the legal entity, which in turn reports that information to the central register as per Art. 66 AMLR. Instead, it is foreseen

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	that the EU central interface verifies the digital EU power of attorney automatically, which leaves room for concern. BG (Comments): We have concerns in relation to the provisions of Article 24 of the draft Regulation. It creates an entirely new applicant figure, the 'Electronic Filing Agent', and thus expands the circle of applicants who can make a request for registration of circumstances concerning a commercial company. We believe that this figure is unnecessary. Under our national law, applicants at this time may be: trader, procurator, lawyer, other person in the cases provided for by law (organ representative, liquidator, receiver, etc.)
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.	AT (Comments): • It should be clarified that **national formal requirements**, including certification requirements, continue to apply in the context of Art. 24 (as does Art. 16c of Directive (EU) 2017/1132 which provides that national requirements relating to form, identity verification and assurance of accuracy remain unaffected by the digital EU power of attorney). • It is also important that the electronic filing agent cannot be used to circumvent company-law requirements, such as the requirement for joint representation. HR (Drafting suggestions): 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

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	submit forms on its behalf through the EU central interface in accordance with this Regulation, except for formation of the EU inc.company. HR (Comments): HR Clearly define that formation of EU inc. can not be done using digital EU power of attorney SK (Drafting suggestions): It is necessary to clarify, whether the term "sign documents" in the context of such representation refers to the signing of the articles of association and the registration application, or only to the registration application. Should the power of attorney not be included as an annex to the registration form in these? We believe this is crucial element when filing a Company registration form by an authorised person.
2. The EU central interface shall verify automatically the digital EU power of attorney.	AT (Comments): • The provision is too vague in its current form. The design of the digital EU power of attorney lies within the competence of the Member States; they may, but are not required to, provide for the registration of digital EU powers of attorney in a register. Against this background, it remains **unclear** how the **automatic verification** by the EU interface is to function in practice, particularly in cases where no registration requirement exists. A clarification is therefore needed as to the basis on which this verification is to be carried out and which technical means are to be used. • AT understands the Commission's explanations to mean that an electronic filing agent cannot act in the formation of an EU Inc., as the digital EU

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	power of attorney presupposes the prior existence of the company and cannot replace personal declarations required for formation. Confirmation of this understanding would be welcome. ES (Drafting suggestions): Article 24. 2 "The EU central interface shall verify automatically the electronic signatures and seals of the digital EU power of attorney". ES (Comments): In general terms, any supervisory power of the EU central interface must be excluded, as this would contradict Article 10 of Directive 2025/25, which assigns the control of legality to national authorities and would go against the legal traditions of Member States, except from the verification of electronic signatures and seals of the digital EU power of attorney. LV (Comments): Latvia considers that the Regulation should clearly establish the procedure for verifying an EU power of attorney in cases where the registration of an EU Inc., or the registration of changes, is carried out directly in a Member State's business register without using the EU central interface. In light of the above, Latvia calls for clear and sufficiently detailed regulation regarding the practical implementation of such cases, in order to ensure uniform, comprehensible, and effective application across all Member States. PL (Comments):

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	The draft should clearly distinguish between automatic technical verification and substantive legal review. Assessing whether a person can validly act on behalf of a company requires determining not only the characteristics and content of the digital document, but also the scope of representation, the manner in which the governing body operates, any restrictions arising from national law, the articles of association, resolutions of the governing bodies, and the nature of the act for which the power of attorney is to be used. A digital portal is not capable of such an assessment, especially when the validity of the power of attorney depends on national law, and such verification can be performed by a national authority. The proposal should provide for the possibility of challenging the result of the automated verification, supplementing documents, providing explanations, and conducting a human assessment in cases of doubt.
CHAPTER III - ACCESSIBILITY AND CROSS-BORDER USE OF EU INC. INFORMATION	
Article 25 ***Documents and information to be made available in the business register***	PT (Comments): It may be worth considering a greater degree of harmonisation of the minimum disclosure requirements. Significant differences between Member States could create incentives for companies to choose jurisdictions with less demanding transparency standards. A more consistent approach to disclosure could contribute to the protection of creditors and investors, while also strengthening trust and legal certainty within the EU Inc. regime.
	FR (Drafting suggestions):

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	6. A natural person who is a director or a shareholder may, at any time, request that the address of the EU Inc.'s registered office be kept confidential when it is located at his or her personal residence. ~~**Any administrative or judicial authority, for the purpose of carrying out their duties, and members of the public who demonstrate a legitimate interest in obtaining such information, may have access to this information.**~~ ~~**Instead of the address of the EU Inc.'s registered office, the directors provide a physical or electronic correspondence address of the EU Inc to be made publicly available.**~~ FR (Comments): We support the explicit reference to Regulations (EU) 2016/679 and 2018/1725 regarding data protection but believe it is important to ensure that the increased dissemination of personal data resulting from widespread digitization does not disproportionately jeopardize the safety or peace of mind of individuals. In accordance with the case law of the CJEU, the regulation should expressly provide for the possibility of restricting access to such personal data in certain cases. With regard to Article 25 (26.1, and 29 concerning commercial communications), the French authorities draw attention to the situation of the founders of an EU Inc. who register their business at their personal address and are therefore likely to be exposed to security risks and a breach of their privacy since the "street name, street number, and postal code" of the registered office must be made accessible. In accordance with the Manni case law (CJEU, March 9, 2017, Case C-398/15), specific situations may exceptionally justify limiting access to personal data concerning the individual entered in the register. The regulation should explicitly provide for

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	the possibility for founders who demonstrate a risk to their safety or peace of mind to limit access to information regarding the registered office and the conditions under which access by interested third parties may be granted
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:	AT (Comments): • AT takes a critical view of the fact that shareholders are not disclosed in the register (cf. comments under Chapter VI). • Compared to national company register law the list appears significantly narrower in scope. This raises the question whether Art. 25 is intended to provide an exhaustive harmonised list of register disclosures for the EU Inc., or whether Member States remain free to require **additional disclosures** under national law (e.g. the registration of authorised signatories (*Prokuristen*), information on the company's share capital where the EU Inc. has share capital; corporate restructuring operations, such as mergers, divisions or conversions; the status of being a listed company; insolvency-related entries). LV (Comments): Within the framework of the Regulation, the meaning of the term "*publicly accessible*" is not sufficiently clear. It is not unequivocally established whether this implies direct access to information in an electronic environment without a request and without user identification, or whether access is possible only upon receipt of a specific request and subject to identification of the interested person. We request that the Regulation be supplemented with a clear and unambiguous definition of this term in order to ensure uniform interpretation and to avoid divergent application across Member States.

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(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;	AT (Comments): In multi-unit buildings or office complexes, a street address alone may not be sufficient to ensure a clearly identifiable and deliverable address. An established **wording** should therefore be used – for example, in line with Art. 14 of Directive (EU) 2017/1132 ('*registered office of the company*'). CZ (Comments): It is not clear how the verification that EU Inc. is entitled to use a specific address as its registered office should be carried out. Moreover, there is no mechanism ensuring ex post verification of the registered office designation and its usability for service of documents. HR (Drafting suggestions): HR the registered office of the EU Inc., composed of street name, street number,city ~~postal code~~ and Member State where it is registered; HR (Comments): HR Add city name because this is also a part of the registered office. It should be evaluated about the necessity of postal code as a part of information on registered office that should be exchanged. What is the particular reason that We need here postal code? This is going to be digital procedure, so We might conclude that communication with EU inc and the register will follow in digital manner. Also, this proposal doesn't mention

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	city or place of registered office only street name and number, postal code and MS of registration. LU (Drafting suggestions): (b) the registered office of the EU Inc., composed of street name, street number, postal code**, city** and Member State where it is registered;
	LT (Drafting suggestions): **the Member State where the EU Inc. carries out its activities;** LT (Comments): Lithuania considers that it is important to ensure that the Member State where the EU Inc. actually carries out its activities are publicly accessible in the business register. This would enhance transparency and support the ability to identify the actual place of business of the EU Inc.
(c) where available, details of the electronic presence of the EU Inc.;	AT (Comments): The wording is also too vague. Such open-ended wording carries the risk that arbitrary social media links (e.g. Instagram profiles) might be entered in the business register, which, in our view, would be inappropriate. A clear restriction to the **company's official website** therefore seems appropriate. HR (Comments): HR Some explanatory notes on electronic presence of the EU inc. should be added to make it more clear.

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(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.	AT (Comments): In AT, the corporate purpose is recorded in the register, whereas NACE codes are not used for register purposes. Aligning the wording with Art. 14(l) of Directive (EU) 2017/1132 should be considered. This would clarify that the corporate purpose must be indicated without implying mandatory use of a NACE code. HR (Comments): HR We repeat what was previously written about NACE and practical problems that can occur with diversification of object of the EU inc. LU (Drafting suggestions): (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.~~ LU (Comments): The definition of the object of the EU Inc. is redundant with the definition already included in article 2. LV (Comments): Latvia cannot support an approach whereby the NACE code is included in the information to be made public if such information may be attributed legal significance in relations with third parties. Entries in public registers

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	traditionally serve to ensure legal certainty and are binding on third parties; therefore, the inclusion of a NACE code may create uncertainty as to the company's right to carry out activities outside the registered codes. This, in turn, may unjustifiably restrict freedom of economic activity and create risks for transactional certainty. If the requirement to include a NACE code is retained, it is essential for Latvia that it be clearly established that such information is of a purely informative and statistical nature and does not produce any legal effects with regard to the company's legal capacity or the validity of transactions.
(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:	CZ (Comments): We request justification for the divergence from Article 14(d) of Directive (EU) 2017/1132 (CLD). In the absence of sufficient justification, alignment of the wording is necessary. HR (Drafting suggestions): HR What information should be registered here for such persons (name, surname, address with postal code, number of ID)?
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	DK (Comments):

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represent the EU Inc. may do so individually or are required to act jointly;	In DK there is no requirement to make, for example, powers of procuration publicly available. DK does not consider it necessary for this information to be publicly accessible. DKwishes to have it clarified what is meant by "are authorised to present the EU Inc." HR (Drafting suggestions): HR Same as under f) It is relevant to establish the same model of personal data use for this category of representatives, throughout MS for easier identification.
ii. take part in the administration, supervision or control of the company;	DK (Comments): DK is not certain what the difference is between this point and point (f)? In the current form we propose to delete (ii) HR (Drafting suggestions): HR The same as under i.
(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;	

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(i) where an EU Inc. is or becomes a single-member company, the identity of the sole member;	HR (Comments): HR If the proposal that identity of all shareholders must be made available in the register, is accepted, there will be no need for this paragraph.
(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;	AT (Comments): It remains unclear what is meant by "*their information*" (in contrast, in Art. 14(j) refers to "*particulars concerning them*"). Clarification is sought as to why the **wording** from the Company Law Directive is not used here. LU (Drafting suggestions): (k) the appointment of liquidators, their ~~**information**~~ **particulars** and their respective powers, unless such powers are expressly and exclusively derived from law or from the articles of association; LU (Comments): LU suggests harmonizing the wording with Directive 2017/1132.
(l) any termination of a liquidation.	LU (Comments): LU suggests including in the list of mandatory filings the opening/closing of any insolvency proceedings and analogous proceedings (cf. article 40 (2) (b)

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	ix) and related information relating to the appointment of the insolvency practitioner.
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:	PT (Comments): We question whether the provisions of this paragraph are intended to ensure that situations such as those referred to in relation to Article 22 do not occur. In that case, we consider that the obligation will have to include not only the authorities of any MS, but also EU Inc. itself.
(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.	AT (Comments): • The scope of the term "*any other decision related to the EU Inc. with universal effect*" is **unclear**. In particular, it is not evident which types of judicial or administrative decisions are intended to fall within this provision. To ensure legal certainty, it should be clarified that the provision is limited to decisions having *erga omnes* effect and directly affecting facts or documents required to be disclosed under Art. 25(1). A broader interpretation could create uncertainty regarding the reporting obligations of courts and other public authorities and may result in inconsistent application across Member States. • It should further be **clarified** that Art. 25(2)(b) does not affect the **primary responsibility of the EU Inc. to notify and file changes** to register-relevant information.

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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.	AT (Comments): This provision is not entirely clear. The **reference to the EU Company Certificate** in Art. 29 appears grammatically disconnected from the preceding text and it is uncertain whether the Certificate constitutes an additional item of information to be made publicly accessible or merely another source of information regarding branches. CZ (Drafting suggestions): (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~~,~~**;** **(d)** the EU Company Certificate referred to in Article 29. CZ (Comments):

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	Correction of an error in writing. LU (Comments): LU questions whether BRIS will allow the register of the registering Member State to be automatically informed of the registration by the EU Inc. of the opening of a branch in another Member State, for this paragraph to be effectively applicable.
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*].	DK (Comments): Could the Commission clarify whether all documents and information provided by the register should be issued as electronic attestations of attributes (EAAs), given that they are required to be compatible with both the EUDI Wallet and the European Business Wallet? If so, we note that this could be a significant undertaking for Member States. It would also require common specifications for the relevant attestations to be agreed in implementing acts. We would also like to ask, in that case, how these attestations relate to the EU Company Certificate? EE (Drafting suggestions):

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	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***	PT (Comments): Publication through BRIS should be supported, with reinforced interoperability and multilingual searchability. It should also be ensured that the average number of employees and other data relevant for classification purposes, namely as a startup or scaleup, are collected in a comparable manner across Member States.
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	

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(c) the information about groups under Article 19b of Directive (EU) 2017/1132 which shall apply mutatis mutandis to EU Inc. companies;	DK (Comments): In the current Directive 2025/25, only companies that are already required to disclose the relevant information in their annual reports are covered. If EU Inc. is to be subject to the rules on groups, it should follow the same approach and be aligned with the Accounting Directive.
(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.	DK (Drafting suggestions): d) at least the information and documents listed in Article 25, 1, points a) **to d),** f) and j), and paragraph 3 points a) to c) shall be publicly available free of charge on the business register and on BRIS. DK (Comments): In DK articles of association are not publicly available free of charge. The price of obtaining a copy does not exceed the administrative costs. DK therefore suggests that it should be possible to charge a fee for a copy of the articles of association as it is today in BRIS. LU (Drafting suggestions): (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.

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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.	SE (Comments): Regarding this article, SE has the same opinions regarding deadlines for registration, costs for registration and preventive controls as we have declared under article 16, 17 and 18. SK (Drafting suggestions): We recognise the added value of registration via the EU interface and the idea makes sense within the objectives of the draft regulation. Regarding the submission of documents and information, we are not entirely clear on what is the intent. When a company changes its data, a proposal for registration of change of such data is submitted to the commercial register, accompanied by the relevant supporting documents. Different documents apply to different types of data, and the form may also vary depending on the data concerned – in Slovakia, there are standardized forms used for every change in the business register – it allows automatic download of the data to the court clerk, automatic checks, prevents mistakes when registering changes, assures quality of the data and enables quick registration.

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	The proposal does not elaborate on this. There are no forms envisaged, which undermines existing system built for years in our business register (there is strictly electronic communication with the business register via forms ever since 2020). We cannot accept sending any requirements for changes in the data in non-prescribed form, or solely on the basis of annexes (where the clerk would have to search for changes in the data of the company). We are sceptical in this regard – we believe that if a company is registered in a Member State, its statutory representative in that Member State may submit an application for registration of a change without having to use the interface. We are also not certain whether it is appropriate to set deadlines for authorities in the manner proposed. Our Ministry of Finance has submitted a comment on this article in relation to the filing of accounting documents – The proposed possibility of filing accounting documents (e.g. financial statements) via the EU central interface, at the discretion of the "EU Inc.", does not take into account existing systems in the Member States or the need for direct accessibility of these documents, including in structured form, for the purposes of monitoring various obligations (e.g. tax obligations). The proposed direct possibility of filing documents is therefore unsystematic and leads to increased financial impacts on the Member State side. In the Slovak Republic, the method of filing accounting documents of commercial companies is set up in a unified manner based on a "once-only" principle (when a company files its accounting documents to the relevant register of tax administration, it is directly submitted to the business register – without any further need for company to file the document to the business register). The proposed method of filing would, represent a special arrangement requiring modifications to IT systems of the Financial Administration of the Slovak Republic / Ministry of Finance of the Slovak Republic, with an impact on budget. In light of the above, it should be for the Member State to decide in what manner it ensures

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	the filing of accounting documents of "EU Inc." referred to in Art. 25(1)(h) of the proposal.
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.	AT (Comments): The **reference** to Article 15 of Directive (EU) 2017/1132 appears too broad. Clarification is requested regarding **which specific deadline** is intended. SE (Comments): Regarding this article, SE has the same opinions regarding deadlines for registration, costs for registration and preventive controls as we have declared under article 16, 17 and 18.
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.	AT (Comments): Clarification is requested as the provision does not specify who is responsible for preparing the **consolidated version** of the articles of association or on what basis this “automatic creation” is to occur. Where filings are made directly with national registers, clarification is further required regarding the technical implementation of this requirement. CZ (Drafting suggestions): 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 **filed through the EU central interface** update the EU template referred to in Article 8, the consolidated version of the articles of association shall be automatically

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	created **by the EU central interface**. **The consolidated articles of association shall also be filed**, ~~W~~**w**here amendments to articles of association~~,~~ **are filed:** **(a)** without using the EU templates referred to in Article 8~~,~~**; or** **(b) with the business register.** ~~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. CZ (Comments): The automatic creation of consolidated versions of the articles is not a functionality currently available in the CZ business register. Its implementation would entail significant costs that are not justified by corresponding savings on the side of EU Inc. Moreover, such functionality would be used only for EU Inc., which renders it economically unjustified. If the Commission insists on this functionality, it should be ensured via the EU central interface. LU (Comments): LU suggests harmonising the time limits for registering and publishing amendments to the articles of association and information required to be disclosed under the Regulation with those provided for in Directive 2017/1132. LU would like the Commission to confirm what is meant by “the articles of association shall be automatically created”: will the consolidated version be generated automatically by the EU central interface? PL (Comments):

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	The deadline for reporting amendments to the articles of association or partnership agreement set forth in this provision is too short, especially since, pursuant to the proposed Article 106(1)(b) of the Regulation, Member States are required to provide for sanctions against companies that fail to comply with this obligation. The proposed regulation should not impose an excessive burden on businesses, and we will advocate for extending this deadline, for example, to at least 7 days.
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.	AT (Comments): See **comment on para. 2**.
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 Parliament and of the Council on the establishment of European Business Wallets*].	AT (Comments): See **comments on Art. 13(2)**. EE (Drafting suggestions): 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 Parliament and of the Council on the establishment of European Business Wallets*].~~ SE (Comments):

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	We refer to our comments under article 23 when it comes to the use of the European Business Wallet.
Article 28 ***Once-only principle for company data during the lifecycle of the EU Inc.***	EL (Comments): It should be clarified that access to digital records should be subject to appropriate access-control, authentication and audit-trail requirements to safeguard confidential information. PT (Comments): We agree with the "once-only" principle as this will speed up procedures and reduce the administrative burden for businesses. We also consider that the optional access point for public authorities could be beneficial for consultation by the relevant entities
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.	CZ (Drafting suggestions): 1. Where in the context of an administrative or judicial procedure, public authorities need to consult specific information about the EU ~~i~~**I**nc. which is publicly available through BRIS and in the business register, the EU Inc. shall not be requested to submit such information. CZ (Comments): Correction of a spelling error.
2. Paragraph 1 is without prejudice to the obligation laid down in Union or national law to submit documents to complete procedural	DK

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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.	(Comments): Many Member States already have a well-functioning control regime. The registration system in Denmark, for example, is structured with strict rules and controls built in already at the time of application, before the case is even received. We have risk-based and data-driven controls, which we would like to maintain in the context of EU Inc. companies. MT (Drafting suggestions): 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, **provided that labour authorities may be able to request employment contracts, payslips, payroll records, working-time records, posting documents, agency-work documentation and other evidence when required in their pursuance of enforcement obligations."** MT (Comments): Article 28(2) should expressly preserve the ability of labour authorities to request employment contracts, payslips, payroll records, working-time records, posting documents, agency-work documentation, and other evidence needed for enforcement. NL (Drafting suggestions): 2. Paragraph 1 is without prejudice to the obligation laid down in Union or national law to submit documents to complete procedural requirements or

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	where this is necessary for public authorities to carry out their enforcement tasks or where public authorities have reasonable grounds to suspect abuse or fraud related the EU Inc. company. NL (Comments): The Netherlands believes the wording of article 28 is overly restrictive. Enforcement authorities should be able to receive additional information from the EU Inc. where this is necessary to carry out their enforcement tasks, including risk-based and targeted inspections.
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.	ES (Comments): Coordination with relevant business register is important due to: a) there is a risk of encroachment on the powers of Member States by opening up channels of access to corporate information that are not duly justified; b) there is no budgetary provision for the costs that such a measure may entail; c) the experience gained from similar initiatives must be taken into account; and d) there is no indication of how this access regime will be structured.
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:	LU (Comments):

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	LU suggests adding to the list of information to be disclosed the registration number and the name of the national register where the company is registered. SK (Comments): We would like to ask why the proposal does not include, in accordance with Art. 26 of Directive (EU) 2017/1132, information about the register in which the company is registered. Is this no longer needed if the EU Inc. is still a national legal form?
(a) company name;	
(b) EUID;	
(c) address of the EU Inc.'s registered office;	
(d) digital correspondence address of the EU Inc.;	DK (Comments): Whether this is necessary at all should be considered; if it is to be included, it should be made applicable on a voluntary basis.
(e) address of the EU Inc.'s digital presence, for example its website.	DK (Drafting suggestions): address of the EU Inc.'s digital presence, for example its website, **when applicable.**

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	DK (Comments): As not all companies have a website or other digital address, the requirement to provide this information should apply only where such information exists.
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***	CZ (Comments): While we support the use of instruments introduced by Directive (EU) 2025/25 (EU Company Certificate, Digital EU power of attorney), we note that their detailed form is to be defined by Commission implementing acts, which have not yet been published and for which mandatory consultations have not yet commenced. Their usability for the purposes of EU Inc. is therefore currently difficult to assess. At the same time, it is necessary to accelerate the preparation of these implementing acts to ensure that these digital instruments are effectively available at the moment of application of the Regulation, also taking into account that their introduction requires national transposition and implementation of technical solutions that currently do not exist.

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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.	SK (Drafting suggestions): We welcome the fact that this matter builds on digitalisation measures already adopted. We would like to ask why the proposal does not include provisions on a multilingual form, which is to be published on the European e-Justice Portal pursuant to Directive (EU) 2025/25, Art. 16b(8). We see clear added value of a multilingual model for this document. It is not clear from the provisions of the proposal whether the certificate may be issued in any form or on the multilingual form within the meaning of Directive 2025/25 (Digitalization Directive). We note in the proposal (Art. 35(3)(d)) the setting of technical specifications for compatibility with the Business Wallet. Regarding the model certificate, the procedure is unclear to us, especially given that for the Digital EU power of attorney, an explicit reference to the use of a model is included.
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.	DK (Comments): We assume that the EU Company Certificate should be issued as an electronic attestation of attributes – could the Commission confirm whether this is correct, and if so, whether it must be a qualified attestation?

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	And could the Commission also clarify how the EU Company Certificate is intended to relate to the European Business Wallet owner identification data? EE (Drafting suggestions): 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.	HR (Comments): HR There might be obstacles for using such power of attorney for cross border conversions, mergers and divisions due to application of national provisions, especially for formation of companies. Some documents under national law can't be signed using power of attorney.
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.	LU (Drafting suggestions): 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**c** (1) to (3) of Directive (EU)2017/1132.

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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.	DK (Comments): Denmark welcomes that the proposal align the Digital EU power of attorney with the EUDI Wallet and the European Business Wallets. However, we would like to request further clarification on how the issuance of the digital powers of attorney is intended to relate to the internal roles in European Business Wallet solutions as well as national rules and existing systems for employee representation and signatory rights. We also note that the approaches to implementing the EU Digital power of attorney are likely to vary across Member States and would like to underline the importance of adequately accounting for this complexity. EE (Drafting suggestions): 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	DK (Comments):

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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.	We note that this provision refers to documents being *authenticated* by means of trust services or the European Business Wallet, while earlier provisions use the term *signed*. We suggest streamlining the terminology to ensure consistency. EE (Drafting suggestions): 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. LU (Comments): LU suggests replacing “digital” by “electronic” in line with the Directive 2025/25.
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	DK (Comments): See comment above. EE (Drafting suggestions): 2. Where digital notarial acts, administrative documents, their certified copies and translations issued in a Member State related to an EU Inc. and

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from all forms of legalisation and any similar formality in accordance with Article 16d (3) of Directive (EU) 2017/1132.	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.	AT (Comments): **Article 16f of Directive (EU) 2017/1132** contains safeguards for situations where there are reasonable doubts concerning misuse or fraud. Comparable safeguards do not appear to be reflected. LU (Comments): LU would like the Commission to explain why art. 16f of Directive 2017/1132 (Safeguards in cases of reasonable doubt as to abuse or fraud) does not apply *mutatis mutandis* as well.
Article 33	

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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.	LU (Drafting suggestions): (c) through ~~the system of interconnection of registers~~ **BRIS** 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	AT

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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.	(Comments): AT has **fundamental reservations regarding the use of AI-based translations for legally relevant company-law documents**. Questions remain regarding reliability, legal certainty and legal accountability. It should therefore be carefully assessed whether such translations can replace qualified human translations. If such a system is to be developed, consideration should be given to establishing a common solution at Union level. EE (Drafting suggestions): 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.~~ HR (Comments): HR Paragraph 3 and 4: it would be better that EU and not the MS approve the list of AI translation agents because AI Act when used in public registers or judiciary presents a high-risk system. This approval of the translation agents, if made on EU level, would create a more secure, unified and controllable environment for this part of register activity. If such agent is going to be integrated into EBW as a functionality the Working group for EBW should be informed on that. LT (Comments): LT considers it important to reassess whether the requirement set by Article 33(3) is appropriate for legal documents covered by this Regulation, as it is not

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	clear whether the use of AI translation agents approved by Member States is already established practice under other EU legal acts. LT also considers that further clarity is needed on the reliability of AI translation agents in the context of company law documents, given that the meaning of legal terms in company law documents may vary across Member States. Notwithstanding the priority given to the language version of the articles of association of the Member State of registration, such variation may affect the accuracy of AI translations in ways that are difficult to detect.
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.	AT (Comments): See comment on para. 3. FI (Drafting suggestions): Member States **may** 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 FI (Comments): FI: We consider that it should be made explicit in the provision that the approval and use of AI translation agents is voluntary for Member States. LU (Drafting suggestions): 4. Member States shall decide which AI translation agents are to be approved for use in ~~their administrative and judicial~~ **the** procedures **laid**

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	out in this Regulation. 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. LU (Comments): The use of AI agent should be limited to the scope of the proposed regulation, i.e. the formalities of the EU Inc. with regard to the register. It should not extend to all administrative and judicial procedures. PT (Comments): We understand the value of this provision. Nevertheless, it is essential to ensure that such a mechanism does not limit judicial powers. It must therefore be guaranteed that the approval of an 'AI translation agent' by a Member State does not prejudice the prerogative of the courts to require, in a specific case, a certified human translation, additional verification, comparison of language versions, or expert linguistic assessment, where justified by the nature of the document, the complexity of the dispute, or reasonable doubts regarding the accuracy of the translation. This safeguard is essential to ensure that technological simplification does not indirectly restrict judicial authority or the procedural guarantees available to the parties
Article 34 ***Central digital register***	DK (Drafting suggestions): ~~**Article 34**~~ ~~***Central digital register***~~ DK

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	(Comments): Given the existence of BRIS as a fully operational and widely used system for the exchange of company information, the rationale for establishing a separate information-sharing infrastructure for EU Inc. remains unclear. Consideration should therefore be given to integrating EU Inc. companies into the existing BRIS framework, thereby building on a proven, cost-efficient and familiar system already used across all Member States. We propose to delete the article and instead use BRIS. FR (Drafting suggestions): ~~**Article 34**~~ ~~***Central digital register***~~ FR (Comments): The proposal for a central digital register appears premature: its added value has not been established, and to our knowledge, the funds needed to maintain the register have not been budgeted PT (Comments): We continue to have some concerns regarding the complexity of this exercise and the timeframe currently envisaged for its implementation. Ensuring that all national registers are properly interconnected and fully operational may prove challenging within the proposed deadline. Given the central role that this registry will play in the effective functioning of the EU Inc. regime and the Internal Market more broadly, it may be

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	worthwhile to consider whether additional time for implementation would help ensure a smooth and reliable rollout.
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.	AT (Comments): • AT takes a **very critical view** of the current approach in Article 34. The provision **sets out no substantive parameters for the envisaged central register** and appears to leave its entire design to implementing acts adopted by the Commission. In the absence of material criteria in the basic act, it remains unclear whether such a far-reaching delegation is permissible. • Given that the Commission is expected to further develop the EU central interface under Article 15 into a central digital register for EU Inc. companies, **at least basic requirements** should be laid down in the primary legislative act. These should include, inter alia, the purpose, scope, categories of data, governance structure and allocation of responsibilities. A full delegation of these matters to implementing acts is therefore considered problematic. • Similar concerns arise from a **data protection perspective**. It remains unclear which personal data will be stored in the central register. Such essential elements should be defined in the Regulation itself and not left entirely to implementing acts. Moreover, it should be explicitly specified who acts as the data controller of the central digital register. DK (Drafting suggestions): ~~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~~

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	~~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.~~ EL (Comments): We propose the inclusion of specific and detailed cybersecurity requirements, i.e. alignment with comprehensive cybersecurity measures (Directive EU 2022/2555) ES (Drafting suggestions): Deletion of article 34 and recital 23 ES (Comments): There has no been any explanation of the evolution intended from the interface, no impact assessment, and no clear added value. Central Digital Register constitutes a clear deviation from the political and legislative choice made by the European legislature since the establishment of the BRIS system, as well as a regulatory choice not reflected in the Impact Assessment accompanying the proposed Regulation. The reasons that justified the choice of a decentralised system based on BRIS remain valid, whilst the European Commission itself dismisses it as an option that is not viable from any point of view. For all these reasons, its deletion is proposed. FI

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	(Comments): FI: We consider that the provision should more clearly define the limits of the Commission's powers, as well as the relationship between the central register and the national business registers. FR (Drafting suggestions): ~~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.~~ HR (Comments): HR Such register is a logical step for completing the practical side of the EU inc. concept. This register should be the only place where in standardised manner information on EU inc. will be available free of charge. Information on already existing and newly formed EU inc. all over EU could be automatically transferred to this register from national registers. Interoperability of such kind could allow to track down in an easier way information on any EU inc. then to look up in national registers or BRIS. That will allow to monitor and evaluate the impact of EU inc. to the EU business environment and investments, as well as necessary statistics. LT (Comments):

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	LT considers that it is not clear why the EU central interface should be developed into a central digital register for EU Inc. companies. This raises questions that have not been sufficiently addressed in the Proposal, in particular as regards the relationship between the central digital register and the business registers of the Member States. Such a shift would also depart from the principle of interconnection of national business registers through BRIS, which is established under Union company law, and would generate administrative burden for business registers. Furthermore, the relationship between Article 15 and Article 34 lacks clarity. It is not apparent what would distinguish the EU central interface from the central digital register, or what added value the central digital register would provide beyond the functionality already envisaged under Article 15. Before further negotiations proceed on this provision, there is a need to have a clear understanding of the added value and practical consequences of establishing a central digital register for EU Inc. companies. At this stage, LT does not have sufficient clarity on these aspects. LU (Comments): The proposal gives power to the Commission to adopt implementing acts to set a central digital register up. Article 291 TFUE provides that in order to do so, the Council and the Parliament shall lay down in advance the general rules and principles governing the mechanisms for Member States to control the Commission's exercise of its implementing powers. Article 34 does not provide for any general rules to frame the Commission's powers in this respect and important technical issues should be addressed such as whether the responsibility for registering an EU Inc. or a branch would then lie with the European central register, or whether the latter should prevail over the national register in the event of discrepancies in the information or documents published.

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	During the WGCL of 11.06.2026, the Commission has indicated that the decision to register the EU Inc. will remain the responsibility of the national register and that the EU Inc. will acquire its legal personality once registered with the national register. One could thus question the added value of a central register. LV (Comments): The Commission's intention to continue the development of the EU central interface within 18 months following the date of direct application of the Regulation, by establishing a digital central register for EU Inc. companies while at the same time maintaining a close connection with Member States' registers, potentially gives rise to significant regulatory and technical risks. The draft Regulation does not clearly define the purpose of the EU central register, its legal consequences and its interaction with the information systems of the Member States, as well as the impact of the planned central interface on the existing national regulations. At the same time, the draft Regulation does not clearly define the legal consequences of the EU central register. Namely, it is not clear what the legal force of the entries contained in this register will be and how this will relate to the obligation of the Member States to register the relevant information in their national registers, thus, there is a lack of clarity as to which entry would be legally decisive for third parties. If the gradual development of a centralised solution after the implementation of the Regulation were to require repeated amendments to national legislation and information systems, such an approach would not be acceptable. The architecture and functional framework of the centralised solution should be clearly defined already at the initial stage of implementation of the Regulation in order to avoid subsequent restructuring.

Commission proposal	Drafting suggestions and Comments
	Accordingly, Latvia requests that the Commission clarify the necessity of further development of the EU central interface and its impact on the Member States. PL (Comments): There is no justification for creating a central register for EU Inc. companies, especially since it is unclear what the role of such a central register would be and how it would relate to national registers. In light of the current Article 34, it is unclear whether a new register will be created, modeled after national registers, to enable the incorporation of companies and the amendment of entries, or whether this is intended to be a module of the central EU interface containing a list of EU Inc. companies from member states. In Poland's view, this would be disproportionate and, moreover—depending on the role of this registry—could result in Member States being deprived of a portion of the fees that, to some extent, serve as a source of funding for the development of national registries. It is not advisable to create a central registry for EU Inc. if it were to operate in parallel with the national registry, as this would result in a dual registry structure for the same entity, it would create a risk of inconsistencies between data in national registers and the central register, which would significantly undermine legal certainty in economic transactions and could result in Member States losing a portion of the fees that, to some extent, serve as a source of funding for the development of national registers. It should be noted that the draft regulation does not create a fully autonomous European company type detached from the national law of Member States—in many areas, it provides for the application of the law of the state of registration. This means that a proper assessment of an entry, document, or corporate event requires consideration of the relevant national law. It is also unclear

Commission proposal	Drafting suggestions and Comments
	which entity would be responsible for the accuracy of data in the central register in the event of an error. Serious doubts are also raised by the possibility of creating such a registry on the basis of an implementing act, which, by its very nature, should not create new obligations but only implement those provided for in higher-level acts. SK (Drafting suggestions): The explanation provided during the working party has not fully convinced us. We understand that various further forms and documents are to be published on the central interface in a subsequent step. This explanation only raises further questions - is the designation as a "register" appropriate? What other guided forms and models do we need if the proposal is based on some form, that need to be uniform? What are these other forms and models and when can they be used?
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.	EL (Comments):

Commission proposal	Drafting suggestions and Comments
The Commission shall amend the Implementing Regulation 2021/1042 to extend its application to EU Inc companies.	The proposal should introduce safeguards, ensuring integrity, traceability and protection against unauthorized alteration of register data, consistent with security-by-design principles.
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:	AT (Comments): According to Article 35(3), the Commission is to determine by means of implementing acts which data must be provided in the forms referred to in points (a) and (b), as well as which data are to be exchanged between registers and retrievable through BRIS. As personal data are concerned, the relevant elements should, from a **data protection perspective**, be defined as precisely as possible already in the Regulation itself, in order to ensure foreseeability of the data processing for the individuals concerned. CZ (Comments): Ensuring the functionality of the systems will require significant coordination with Member States and technical implementation both at Union and national level. It is not realistic to expect that this effort can be completed within three months. If the implementation deadline under Article 109 were not extended, this deadline should at the very least be shortened to 6 months. DK (Comments): There should be consistency between the Commission's implementation deadline and the Member States' implementation deadline in Article 109, since implementing acts will require system adjustments.

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Commission proposal	Drafting suggestions and Comments
	If the implementation deadline in Article 109 is maintained MS will have only three months to adapt the systems based on this implementing act See our comments to article 109. LV (Comments): We invite aligning the deadlines for the adoption of the Commission's implementing acts with the timelines for the Regulation's direct applicability, in order to ensure that Member States are given sufficient time to develop national legislation and make the necessary adjustments to information systems. SK (Drafting suggestions): We wish to point out that the implementing acts do not relate to the BRIS system exclusively, and therefore the provision of paragraph 3 is inconsistent with the title of the article (Provisions related to BRIS). We also wish to point out that Member States are given only 3 months from the issuance of implementing acts to the application of the regulation. We understand the political pressure; however, if as of today we are not able to send notifications to all Member States regarding cross-border mergers, divisions or conversions, such short timeframes may cause practical problems.
(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	

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Commission proposal	Drafting suggestions and Comments
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*].	DK (Comments): Denmark finds it positive that the technical specifications of the EU Company Certificate and the EU power of attorney will be set out in implementing acts. This paragraph only refers to European Business Wallets, but should it not also reference eIDAS and EUDI Wallets? EE (Drafting suggestions): (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, wi~~th 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	PT (Comments):

Commission proposal	Drafting suggestions and Comments
	In general terms, we agree that the principles applicable to the formation and registration of an EU Inc should also apply to the establishment and registration of its branch. This ensures consistency across the entire framework and contributes to its simplification. The only reservation we wish to raise relates to our previous comment concerning Article 12, namely the need to assess to what extent the creation of a branch of an EU Inc could be used to circumvent national law. SK (Drafting suggestions): We welcome the fact that the proposed regulation also covers branches. These have, thanks to EU legislation, become a practical instrument for the cross-border operations of companies. It is therefore logical that an EU Inc. should also be able to establish such a branch. We have several questions regarding this chapter. The proposed regulation does not contain such a provision, and we therefore assume that an EU Inc. may, under the law governing it, also establish domestic branches.
	PT (Comments): On the other hand, based on our analysis of the proposal, it is not clear whether an existing company may become a branch/subsidiary of an EU Inc. If such a possibility exists, it is also unclear which rules would then apply, particularly with regard to the tax regime (which may be subject to change), existing employees, and share capital, including whether such capital would be transferred to the EU Inc.
Article 36 ***General principles***	

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Commission proposal	Drafting suggestions and Comments
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.	
	SE (Drafting suggestions): **3. If the EU Inc. company is listed on a trading venue, the company shall comply with rules on branches in the relevant financial market law framework.**
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).	AT (Comments): Chapter IV contains **no preventive control measures comparable to Article 28a(3) and (4) of Directive (EU) 2017/1132** (e.g. verification of the signatory's authority to represent the EU Inc.). LU (Drafting suggestions): 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).

Commission proposal	Drafting suggestions and Comments
	LU (Comments): LU questions the reasons the proposed Regulation provides for registration timeframes that are significantly shorter than those set out in Directive 2017/1132 for the online registration of branches. LU also understands following the WGCL on 27.04.2026 that the Commission intends to amend the proposal to harmonise the registration deadlines of branches of EU Inc. whether the branch is registered through the EU central interface or directly with the register. PT (Comments): We would like to confirm that the requirements for the registration of a branch are governed exclusively by the provisions of this Regulation and not by national law. SE (Comments): Regarding this article, SE has the same opinions regarding deadlines for registration, costs for registration and preventive controls as we have declared under article 16, 17 and 18.
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.	AT (Comments): From a legislative-technical perspective the question arises **whether a regulation may directly refer to a directive**, rather than referring to the provisions adopted by the Member States to implement that directive. **This also affects several other cross-references throughout the proposal.**

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Commission proposal	Drafting suggestions and Comments
	LU (Comments): Cf. comment on paragraph 1. MT (Drafting suggestions): An EU Inc. ~~may~~ **shall** 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. MT (Comments): The use of the term 'may' in sub-article 2 introduces an element of discretion that appears inconsistent with Article 39, which explicitly mandates that data be exchanged in digital form. To ensure legislative harmony and operational efficiency, we suggest that filing by electronic means be made compulsory for branches as well.
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***	

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Commission proposal	Drafting suggestions and Comments
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.	AT (Comments): The design of the online forms for the establishment of a branch should be aligned with the forms used for the incorporation of an EU Inc. It will therefore be important to ensure that Art. 38 is adjusted to reflect any amendments made to Art. 13. MT (Drafting suggestions): A harmonised 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. MT (Comments): We further suggest an application form to be harmonised all across the EU to avoid discrepancies.
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*].	AT (Comments): • See comments on para. 1. • The **wording** "*signed by a director*" is misleading, as **representation** depends on the registered representation rules of the EU Inc. (cf. Article 43(1) and (2)). • See **comments on Art. 13(2)**. DK (Comments):

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Commission proposal	Drafting suggestions and Comments
	Denmark would like to request further clarification on whom will be empowered to electronically sign the application form. The paragraph states that a director will be empowered, but how is a director defined? There remains a general lack of clarity on the relationship between this provision and national rules on employee representation and signatory rights. EE (Drafting suggestions): 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*].~~ HR (Comments): HR It would be good to define “electronically signed”-which category of electronic signature.
3. The application form shall include the information referred to of Article 40 (2) point (b) as well as specific information needed for:	AT (Comments): • See comments on para. 1. • The correct reference seems to be Art. 40(2)(a). LU (Drafting suggestions): 3. The application form shall include the information referred to **~~of~~ in** Article 40 (2) point **~~(b)~~ (a)** as well as specific information needed for: LU

Commission proposal	Drafting suggestions and Comments
	(Comments): LU questions whether the application form should rather include information referred to in article 40 (2) point (a) on the branch, while information in article 40 (2) point (b) on the EU Inc. should be retrieved in accordance with point (c). SK (Drafting suggestions): The references appear to be incorrect – the reference to Art. 40(2) requires that the registration application contain all data on the EU Inc. and that the data on the branch be retrieved from BRIS. However, since the branch is only being proposed for registration at this stage, it is not clear where in BRIS such data would be available. It is also not clear from the provision what annexes should accompany the application for registration of such a branch – or whether the Member State of registration may determine these itself or whether it is not expected to add any (see also comments on Article 13).
(a) issuing the tax identification number, TIN for the branch;	AT (Comments): • As regards provisions relating to tax law, see **comment under Art. 4(1)**. HR (Comments): HR The TIN or PIN (Personal Identification Number) for the branch should correspond to the EU Inc. PIN (given that the branch is not a separate legal person). Can it be determined that branch's PIN corresponds to EU Inc. PIN in case EU Inc. has a PIN from before? MT (Comments):

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Commission proposal	Drafting suggestions and Comments
	Scrutiny reservation as internal analysis is still ongoing and not finalised. More time is needed to better evaluate operational considerations here. SK (Drafting suggestions): Our Ministry of Finance would like to ask a question. The draft regulation states, that TIN is issued to the branch. As branch does not have legal personality, today, TIN is issued to the company that has opened a branch. Is this in line with the draft regulation?
(b) issuing the VAT identification number for the branch.	AT (Comments): • As regards provisions relating to tax law, see **comment under Art. 4(1)**. MT (Drafting suggestions): (b) ~~issuing the VAT identification number for the branch.~~ MT (Comments): Any such requirements for VAT purposes should be included in the VAT Directive. PT (Comments): MF: On the subject of the VAT identification number, see comments included in Article 13(3)(c) of this Regulation.
(c) The business register registering the branch shall automatically retrieve from BRIS and on the basis of the	AT

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Commission proposal	Drafting suggestions and Comments
EUID the information about the EU Inc. referred to in point Article 40 (2) point (a).	(Comments): • The correct reference seems to be Art. 40(2)(b). LU (Drafting suggestions): (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)~~ **(b)**. LU (Comments): See comment in paragraph 3.
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.	FR (Drafting suggestions): **(…)** **Member States shall ensure that the business register suspends the registration process if the relevant information and documents is not available in BRIS and if a verification fails to confirm the required elements. The suspension shall remain in place until sufficient information has been provided. The business register can eventually dismiss the application if the claimants ultimately fail to provide sufficient information.** FR (Comments): Coordination with the drafting suggestion under Art 16.
Article 39	AT

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Commission proposal	Drafting suggestions and Comments
Once-only submission of branch and company data to authorities	(Comments): See **comment on Art. 20 regarding data protection considerations**. EL (Comments): The provision relies on digital exchanges between business registers and public authorities. It should be clarified whether the cybersecurity framework applicable to these interconnected systems is considered sufficient, including alignment with relevant Union cybersecurity legislation (e.g. NIS2) where applicable. LU (Comments): LU has a scrutiny reserve on the technical feasibility of this article.
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.	AT (Comments): • As regards provisions relating to tax law, see **comment under Art. 4(1)** and as regards the beneficial ownership register, see the **comment under Art. 13(3)(d)**. • See comments on Article 20(1) regarding the wording "*information about the EU Inc.*". Clarification is requested regarding the wording "*other relevant information*". CZ (Comments): We refer to our comments to Article 20. DK

Commission proposal	Drafting suggestions and Comments
	(Drafting suggestions): 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~~. DK (Comments): The beneficial ownership of the EU Inc. will not be affected of the registration of a branch. It is therefore not relevant to send any information in this regard to the beneficial ownership register. We propose the deletion of the sentence to hinder misunderstandings. HR (Drafting suggestions): HR 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. HR (Comments):

Commission proposal	Drafting suggestions and Comments
	HR As stated previously the word "immediately" should be more specific, it would be enough to leave only "exchange" or use the wording as in an earlier Article "without undue delay". LU (Drafting suggestions): 1. Following the registration of a branch of an EU Inc., with the business register, that business register shall ~~**immediately**~~ **without undue delay** 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. MT (Drafting suggestions): 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. MT (Comments):

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Commission proposal	Drafting suggestions and Comments
	Any such requirements for VAT purposes should be included in the VAT Directive. PT (Comments): On the subject of the VAT identification number, see comments included in Article 13(3)(c) of this Regulation. SK (Drafting suggestions): The proposal envisages the automatic assignment of a VAT identification number to branches of foreign persons, this is in direct conflict with Council Implementing Regulation (EU) No 282/2011 of 15 March 2011 laying down implementing measures for Directive 2006/112/EC on the common system of value added tax, under which it is necessary to examine whether the branch may be regarded as a fixed establishment within the meaning of Art. 11 of that Implementing Regulation.
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.	LU (Drafting suggestions): 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**~~ **referred to in paragraph 1**, to the public authorities **in charge of issuing the TIN and the VAT identification number** and the beneficial ownership register referred to in paragraph 1 **following its registration**. LU (Comments): Wording aligned with wording in article 20 (2).

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Commission proposal	Drafting suggestions and Comments
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.	AT (Comments): See **comments on Art. 20(3)**. LU (Drafting suggestions): 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 **undue** delay. Neither the EU Inc. nor its branch shall be required to submit a separate application to those public authorities **in charge of issuing the TIN and the VAT identification number** or to provide additional information unless it cannot be retrieved elsewhere and is strictly necessary for the purposes of issuing VAT identification number. MT (Drafting suggestions): 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.~~ MT (Comments): Any such requirements for VAT purposes should be included in the VAT Directive. PT (Comments):

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Commission proposal	Drafting suggestions and Comments
	On the subject of the VAT identification number, see comments included in Article 13(3)(c) of this Regulation.
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.	AT (Comments): See **comments on Art. 20(4)**. LU (Drafting suggestions): 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 **and filed by the EU Inc. in accordance with paragraph 25**.
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.	SK (Drafting suggestions): We would like to ask for clarification as to why, in the case of a foreign branch of an EU Inc., it is not proposed to publish data within the meaning of Art. 30(1)(g) of Directive (EU) 2017/1132. This concerns the publication of the accounting documents of the EU Inc. Why did the EC consider this unnecessary, or is this addressed elsewhere?

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Commission proposal	Drafting suggestions and Comments
2. The compulsory disclosure shall cover the following information only:	
(a) about the branch:	HR (Comments): HR What about mandatory disclosure of the branch's EUID?
i. the name of the branch;	
ii. the address of the branch;	HR (Comments): HR What is the address consisted of here, as the branch doesn't have to be situated in the same, for example city as the Eu inc? What about postal code of the city where the branch is situated?
iii. the activities of the branch;	HR (Comments): HR Activities of the branch should be some or all of the registered activities of the company, that is the standard in registers. Might be good to state that in this Article.
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;	

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Commission proposal	Drafting suggestions and Comments
(b) about the EU Inc.:	AT (Comments): From AT's perspective, it is not clear why, under point (b), the register of the branch should also be required to disclose numerous items of information that do not relate to the branch itself but to the company – that is, to the EU Inc. as such. As far as can be seen, the information requested here regarding the EU Inc. goes significantly beyond the information on the company that must be disclosed (also) in the register of the branch under Art. 30 of Directive (EU) 2017/1132. A **broad duplication of information on the EU Inc.** through disclosure in two registers should be avoided: even if there is an exchange of information between these registers, only the information disclosed in the company's (home) register is legally relevant for the EU Inc. as such. If information on the EU Inc. is additionally disclosed in the register of the branch, inconsistencies may arise – at least temporarily. It would therefore be advisable, also for the EU Inc., to limit disclosure in the register of the branch to basic information on the company. Article 40(2) should therefore be **aligned substantively with Art. 30 of Directive (EU) 2017/1132**. LU (Comments): LU suggests referring to relevant items of article 25 for consistency purposes.
i. the business register of the EU Inc.;	
ii. the name of the EU Inc.;	LU (Comments): article 25 (1), (a)

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Commission proposal	Drafting suggestions and Comments
iii. the legal form of the EU Inc.;	LU (Comments): article 25 (1), (a)
iv. the registered office of the EU Inc.;	LU (Comments): article 25 (1), (b)
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;	HR (Drafting suggestions): HR vii.the appointment and information about the persons, the first names, surnames and date of birth, or equivalent information when that date is not recorded in the national register, 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; HR (Comments): HR What specific information in this regard should be provided for the register's entry for such persons, for example, name, surname, address (with or without postal code), date of birth, place of birth, number of ID….? We

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Commission proposal	Drafting suggestions and Comments
	must assure a precise identification data for purposes of diverse court, tax or other proceedings. LU (Comments): article 25 (1), (f)
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;	HR (Drafting suggestions): HR The same as under vii LU (Comments): article 25 (1), (j), (k)
ix. insolvency proceedings, arrangements, compositions, or any analogous proceedings to which the EU Inc. is subject;	AT (Comments): This information does not appear to be covered by Art. 25.
x. the closure of the branch.	AT (Comments): The classification of point (x) ("*the closure of the branch*") under point (b) appears incorrect, as this is not information concerning the EU Inc. but information concerning the branch. CZ (Drafting suggestions): ~~x. the closure of the branch.~~

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Commission proposal	Drafting suggestions and Comments
	CZ (Comments): This point should either be clarified or deleted. It is not information about the EU Inc. as the letter b) presupposes. HR (Comments): In the event of the closure of a branch, if it is a cross-border branch, the procedure provided for in Article 86 must be followed, under which the tax administration is granted time to suspend or intervene in certain proceedings. In other words, it is necessary to ensure that, before the branch is dissolved, all tax procedures (refunds and recoveries/collections) have been completed, even though these could also be carried out through the company itself.
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.	
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***	

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Commission proposal	Drafting suggestions and Comments
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.	AT (Comments): • From AT's perspective, it is also not clear why this provision – which is **relevant to the EU Inc. as such** – is located in the chapter on cross-border branches. • The **relationship between this provision and Art. 12(2) and 21(5)**, which likewise concerns cross-border conversions, mergers and divisions, is also not entirely clear. LU (Drafting suggestions): An EU Inc. shall carry out cross-border conversions, divisions and mergers in accordance with Chapters I, II and IV of **Title II of** Directive (EU) 2017/1132. MT (Drafting suggestions): To include the following proviso: **Provided that the creation or mobility of EU Inc. companies cannot be used to evade national labour law, employee participation, collective representation, collective bargaining arrangements or acquired worker rights.** MT (Comments): Article 41 should include an anti-circumvention safeguard ensuring that creation or mobility of EU Inc. companies cannot be used to evade national labour law, employee participation, collective representation, collective bargaining arrangements, or acquired worker rights.

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	SK (Drafting suggestions): The provision of Article 41 is placed within the chapter dealing with cross-border branches of an EU Inc. We consider this placement inappropriate. Either the name of the chapter should make reference to cross-border mobility of EU Inc., or the provision should be moved to another part of the proposal.
CHAPTER V – ORGANISATION	ES (Comments): Scrutiny reserve.Pending debate in the Council. Preliminary comments provided.
Article 42 ***Company bodies***	PT (Comments): It may be worth considering whether the light-touch governance model should remain appropriate once an EU Inc. reaches a certain size or level of complexity. In this regard, harmonised EU thresholds based on criteria such as balance sheet total, turnover or number of employees could be explored, with the possible introduction of independent oversight requirements for larger companies. Such an approach could contribute to a more consistent level of governance across Member States while preserving flexibility for smaller and early-stage businesses.

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	FR (Drafting suggestions): **5. The articles of association set out the conditions under which company body resolutions and their effects are deemed invalid. They may also provide for procedures for ratifying an invalid resolutions.** FR (Comments): The nature and scope of consequences for irregular decisions by corporate bodies are not specified, even though respect for the will of the shareholders is crucial in a company largely governed by its articles of incorporation. Will it be possible to provide in the articles of incorporation for the nullity of decisions or legal acts taken in violation of certain clauses? And to provide for the consequences of such nullity? The possibility for a judge to take remedial measures (appointment of a representative; power to issue an injunction) in the event of a deadlock or harm to the interests of certain shareholders is not provided for. Yet this is the subject of various practices in Member States. 4) The possibility of including clauses for the exclusion of a partner has not been mentioned, which leaves significant uncertainty in an area prone to major national divergences. 5) The possibility of including tag-along or drag-along clauses is also not considered. 6) The possibility of including pre-emption clauses, to the extent that they do not infringe upon the free transferability of shares, is insufficiently addressed.
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.	AT (Comments): • It should be **clarified to what extent** organisational and governance matters may be left to the articles of association.

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	• Para. 1 appears to require that the articles of association determine organisation and management, while the **minimum content set out in the Annex does not explicitly reflect such requirements**. This creates a potential inconsistency that should be addressed. • A clearer definition of mandatory minimum governance rules at Regulation level would appear necessary to ensure legal certainty. DK (Comments): We find this article unclear due to the fact that the term "director" is not defined in Article 2. The matter is also related to Article 4(3), which obliges Member States to designate the national company form mentioned in paragraph 2, whose rules will apply to EU Inc. companies. In light of this, Denmark considers that an explicit definition of "director" is necessary to ensure legal certainty and consistency across Member States. See our comments under article 2. SK (Comments): The whole Chapter V, as well as Article 4, require further clarification. Article 4 is referred to only in Article 44(4), and it is therefore unclear whether, and to what extent, national law applies to this Chapter. We tried to redraft Article 4 so that this issue would be clearer. The Slovak Republic acknowledges that drawing a strict line between matters governed by the Regulation and those governed by national company law is not straightforward, given the differences between Member States' legal systems. However, as this Chapter relies extensively on national law, it

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	would be useful to clearly delineate which matters fall within the scope of national law and which areas are fully harmonised by the Regulation. In particular, it should be clarified **which national law institutions or mechanisms may not be applied** due to the mandatory nature of the Regulation, in order to ensure legal certainty and consistent application across Member States. Such national law institutions may include, for example, mandatory supervisory board, detailed rules on director´s liability to company´s creditors, the preparation and conduct of the general meeting, actions for annulment of resolutions of the general meeting, as well as their procedural aspects, including standing to bring an action, time limits, and costs.
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.	DK (Drafting suggestions): The company shall have a board of directors, which shall be responsible for the management of the company. The board of directors **must consist only of natural persons** ~~shall consist of one or more natural persons~~ (directors**). The board of directors can consist of one or more persons** and at least one of the directors shall be resident in the Union. DK (Comments): DK finds that it should be specified in the paragraph that members of the board must be natural persons. ES (Drafting suggestions):

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	Add this paragraph: legal persons may be directors provided that a natural person representing the legal person is appointed and is subject to the prohibitions, duties and obligations imposed on directors. ES (Comments): It should be clarified why only natural persons can be administrators It seems reasonable to require at least one of the directors to reside in the EU in order to allow for liability. HR (Comments): HR In case of third country directors how are We going to verify electronic signatures in the application form, because We don't know if the identification through a system like in Croatia NIAS (system that represents a central point of identification and authentication of users when signing up for an e-service.) will support credentials from a third country. LT (Comments): LT notes that the Proposal does not define the term "resident in the Union" and does not specify who is responsible for verifying compliance with this requirement or by what means such verification is to be carried out. In the absence of a definition of "resident in the Union" and a clear verification mechanism, this requirement may be interpreted and applied differently across Member States, undermining its uniform application. LT therefore suggests that the Proposal be supplemented with a definition of "resident in the Union" and that the Regulation clearly establish the verification mechanism, including the sources from which the relevant

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	information is to be obtained, for the purposes of verifying a director's compliance with the requirement laid down in Article 42(2). NL (Drafting suggestions): 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 or legal persons (directors). NL (Comments): The Netherlands is of the opinion that legal persons should be allowed to be appointed as directors of an EU Inc. This increases the attractiveness and flexibility of an EU Inc. The principle that legal persons can function as board members is a key tenet of Dutch company law. The Netherlands is, also, not of the opinion that additional safeguards specific to the situation that a company appoint a legal person as a director are necessary. In the Netherlands allowing legal persons to be appointed as directors functions well. As a consequence, the requirement that one of the directors should be resident in the Union should be resident. PT (Comments): We understand that this provision is intended to offer flexibility by requiring only a board of directors composed of one or more natural persons, while allowing additional governance structures to be determined by national law. While this approach may be appropriate for smaller companies, it may be useful to consider how the regime would apply to EU Incs. that grow in size, attract institutional investors or develop more complex ownership and governance structures. In such cases, companies may need to introduce

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	supervisory bodies or alternative governance arrangements, which would be governed by the national law of the Member State of registration. This could potentially result in different governance requirements for companies operating under the same EU legal form, and it may therefore be worth reflecting on whether some additional harmonisation would be beneficial in the longer term. SK (Drafting suggestions): 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. Director includes any person occupying the position of director, by whatever name called, including cases where this person occupies the position of director without valid formal appoitment or registration. **It also includes** a person in accordance with whose directions or instructions the directors of the company are accustomed to act. SK (Comments): The term "director" is a key concept in the proposal. In the view of the Slovak Republic, it is important that this term also cover shadow directors and de facto directors. We acknowledge that defining the notion of "director" is challenging and that this issue has already been discussed. Nevertheless, it may be useful to revisit this matter and introduce a common definition of this term in the proposal. Under Slovak law, individuals who effectively act as company directors — by exercising high-level management and decision-making powers despite not having been duly or formally appointed — may also be treated as directors for liability purposes. **It is important that a similar approach is**

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	recognised across the EU, particularly given that the EU Inc. framework is largely based on the principle of directors' liability. In practice, there have been numerous cases involving "straw men" or "front men" with no assets, while the company's actual activities and decision-making were carried out by other individuals acting behind the scenes. It is therefore important to ensure that liability may also be attributed to such persons. The definition of this term as well as inclusion of shadow directors is relevant for our position on other parts of the proposal. If the shadow director is not included, more conservative and strict approach to directors liabilities should be proposed.
	SK (Comments): Several Member States raised the question of who will be responsible for verifying the residence of a director within the EU. Given that the proposal is largely based on the principle of directors' liability, this issue is of particular importance. In this context, the Slovak Republic would welcome a more in-depth discussion on possible safeguards ensuring that directors are effectively identifiable and reachable within 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.	AT (Comments): The term "***statutory body***" in Article 42(3) is not sufficiently clear. It remains ambiguous whether it refers exclusively to bodies created under the articles of association or whether it also covers bodies that must be established under **mandatory national law**. The inclusion of such bodies is particularly relevant in the context of **employee participation**, as Austrian law requires

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	the establishment of a supervisory board once a certain employee threshold is reached. National law therefore obliges companies to create corporate bodies independently of the articles of association. Article 42(3) should explicitly clarify that such bodies may arise not only from the articles but also from mandatory national provisions. CZ (Drafting suggestions): 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~~ **administrative, management or supervisory** body. CZ (Comments): We propose extending the provision to cover other possible bodies in line with the wording used in CLD. We also propose harmonising the optional supervisory board (see proposed new Article 42a). ES (Comments): The reference to Article 4 in its entirety raises a problem in relation to national law which may be different in each Member State, further clarification is needed. Pending debate on article 4. SK (Comments): The Slovak Republic understands Article 42(2) to mean that the only mandatory corporate body of the company is the management body, acting in the form of a board of directors. The establishment of a supervisory board should remain optional and should only be required where the EU Inc.

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	becomes a listed company. The wording of the provision should be aligned with this approach.
	CZ (Drafting suggestions): **<u>3a. The articles of association may provide that the company has a supervisory board governed by Article 42a.</u>**
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.	AT (Comments): **Several fundamental governance issues** remain **unclear**. The provision does not specify when the appointment of a director becomes effective, nor whether removal by the general meeting affects contractual claims or may be limited to "for cause" in the articles of association. Clarification is also required as to how minority shareholders may request removal for cause and which remedies are available if such a request is refused. In addition, the conditions under which a director may resign and whether such resignation takes immediate effect remain unspecified. Finally, it is unclear who is competent to decide on the enforcement of claims for damages against directors on behalf of the company. Given the breadth of these open questions, it should be clarified whether these matters are to be determined by **national law**. CZ (Drafting suggestions): 4. The general meeting shall have the power to appoint and dismiss ~~directors~~ **<u>members of the board of directors or another administrative, management or supervisory body</u>** 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~~

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	~~directors, unless they are contrary to the applicable rules in accordance with Article 4.~~ CZ (Comments): CZ does not agree with the possibility for the general meeting to issue binding instructions to the administrative body. If the provision is retained, it should also be discussed whether such a mechanism should apply only to the administrative body, or also to other bodies (with the exception of a supervisory body). For the term "director" see the proposed definition (the wording of the provision should be amended accordingly afterwards). DK (Drafting suggestions): 42(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.~~ DK (Comments): DK has concerns regarding the leeway afforded to the owners in an EU Inc. company. The owners of an EU Inc. company have significant influence over how the company is managed, as long as their wishes are incorporated into the company's articles of association. In Danish company law owners are not able to impose binding instructions on the board.

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	This raises a fundamental question about active ownership: If, in practice, it is the owners who make the decisions rather than the board, does this mean that responsibility should rest with the owners? And, in that case, can they still claim to have limited liability? This opens up a discussion regarding piercing the corporate veil and possibly forum-shopping. ES (Comments): Same comment as above FI (Drafting suggestions): 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.~~ FI (Comments): FI: The matter on bindingness is best left for national legislation. The questions of civil liability are closely related to the subject matter. LU (Comments): LU would like the Commission to explain the rationale behind the possibility for the general meeting to give binding instructions to the board of directors. The board of directors should be acting in the corporate interest of the EU Inc.

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	SE (Drafting suggestions): 4. **Without prejudice to applicable employee participation rules,** t~~T~~he 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. SK (Comments): The Slovak Republic can agree with this provision on the understanding that Article 4 is amended as suggested above. An instruction issued by the general meeting may be abusive. Under Slovak law, such situations are addressed by Section 56a of the Commercial Code, which contains a general prohibition of the abuse of majority voting rights. Should Article 4 remain unchanged, this provision should be amended to ensure that instructions of the general meeting that constitute an abuse of rights are not binding on the management body.
	CZ (Drafting suggestions): **Article 42a** ***Supervisory board***

Commission proposal	Drafting suggestions and Comments
	1. In accordance with Article 42, the articles of association may provide for the establishment of a supervisory board as an additional company body of the EU Inc. **2. Where a supervisory board is established pursuant to paragraph 1, it shall supervise the management of the EU Inc. by the board of directors and the overall conduct of the company's business.** **3. The supervisory board shall act in accordance with this Regulation, the articles of association and, where applicable, the principles adopted by the general meeting, provided that such principles are not contrary to this Regulation or to the articles of association. Any infringement of such principles shall have no effect vis-à-vis third parties.** **4. The supervisory board shall carry out its functions independently. The supervisory board shall be entitled to examine all documents and records relating to the activities of the EU Inc. and to verify whether:** **(a) the accounting documents are properly kept and reflect the true situation of the EU Inc.; and** **(b) the business and other activities of the EU Inc. are carried out in compliance with applicable law and the articles of association.** **5. The supervisory board shall review the financial statements, as well as any proposal for the distributions. It shall review whether the tests according to Article 72(3) has been diligently conducted. It shall submit a report on the outcome of that review to the general meeting.** **6. Article 42(4) shall not apply to the supervisory board to the extent required by national law rules on employee participation applicable pursuant to Article 12.**

Commission proposal	Drafting suggestions and Comments
	7. A member of the supervisory board shall not simultaneously be a member of the board of directors or any other person authorised to represent the EU Inc. pursuant to Article 43. Article 45 shall apply *mutatis mutandis* to the members of the supervisory board. CZ (Comments): We propose harmonising the rules for a supervisory body – supervisory board. The creation of such a body would be optional; however, where established, it should be subject to at least minimal harmonised rules. The existence of a uniform supervisory body is particularly important in companies with a larger number of shareholders, especially where shares are listed on capital markets. This is also envisaged by Article 60 of the proposal for EU Inc., and therefore we recommend clarifying these rules. The exact drafting remains open for discussion. The introduction of a harmonised supervisory body for EU Inc. would increase legal certainty, in particular for investors. PT (Comments): Similarly to existing national approaches, such as the Portuguese framework for private limited liability companies (sociedades por quotas), it may be worth considering whether the light governance model should remain appropriate once an EU Inc. reaches a certain size or level of complexity.
Article 43 ***Representation of the company***	

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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'.	AT (Comments): • Art. 43 raises practical concerns regarding continuity of representation. It should be clarified what happens if the **sole director ceases to hold office** (and whether national law is intended to apply in such cases), or if the **requirement of being "*resident in the Union*"** under Article 42(2) is **no longer fulfilled**. • AT also considers it important that the Regulation address **passive representation**, ensuring that such cases do not require the joint action of all representatives. DK (Drafting suggestions): The EU Inc. company shall be represented by its directors. If the EU Inc. company has several directors and they shall represent the company jointly. ~~and shall be referred to as 'co-directors'.~~ DK (Comments): DK notes that the word "co-director" is unclear and can lead to uncertainty for third parties. We propose the deletion of the last part of the sentence. EE (Drafting suggestions): 1. The EU Inc. company shall be represented by its directors. **Every director may represent the EU Inc. company in all transactions unless the articles of association prescribe that some or all of the directors shall represent the company jointly.**

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	EE (Comments): Estonia considers it necessary, in order to ensure smoother corporate governance, to replace the presumption of joint representation of directors with a presumption that each director may represent the company individually. This constitutes a more proportionate solution, which does not require companies to amend their articles of association each time they wish to depart from the principle of joint representation. In Estonian law, the default rule is that each director has the right to represent the company individually, which has proven to be more efficient in practice and reduces the risk of transaction costs and delays (e.g. in signing and day-to-day transactions). Joint representation is better suited as an exception and can always be provided for in the articles of association; making it the default rule would create additional burdens (such as amendments to the articles of association) and legal uncertainty in cross-border dealings. Estonia therefore proposes that the default rule should provide for the right of each director to represent the company individually. MT (Drafting suggestions): 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-representatives’. MT (Comments): There must be added a legal obligation that notwithstanding the joint representation of the company there must be a clear identification of the person responsible for employment-law compliance where the company employs workers in a Member State, irrespective of whether being a director or a person delegated with the powers of a Director

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Commission proposal	Drafting suggestions and Comments
	PL (Comments): We believe that the company's right to specify rules of representation in the articles of association that differ from those set forth in Article 43(1) should be preserved. The current wording of Article 43(2) implies that the articles of association may only provide for the right of some or all directors to represent the company individually. However, there is no provision in the articles of association for joint representation, e.g., by two or three 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.	CZ (Drafting suggestions): 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~~ **It** may only be relied upon against third parties where it is made publicly available in accordance with Articles 25 and 27. CZ (Comments): Firstly, representation of company is a key, statutory question of EU Inc. organisation. It shall be clearly stated in the articles of association, not by the decision of the general meeting that may be nullified, frequently changed etc. Secondly, if it is provided that the directors represent company individually, it is not, *per se*, a limitation of the power of representation. LU (Drafting suggestions):

Commission proposal	Drafting suggestions and Comments
	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 **or jointly**. 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. LU (Comments): The drafting of the clause merits clarification as to the possibility for several directors (but not all directors) to jointly represent the company. SK (Drafting suggestions): Related point in recitals should clarify that "Companies should be able to require that two specific directors act jointly in relation to management decisions ("four-eyes principle". SK (Comments): The possibility for a company to require that two specific directors always act jointly (the "four-eyes principle") should be expressly referred to in the recitals as an example.
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.	DK (Drafting suggestions): ~~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.~~ 3. Other limitations on the Powers of representation shall not be registrered and made publicly available in accordance with Articles 25 and 27

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Commission proposal	Drafting suggestions and Comments
	DK (Comments): DK finds that the wording of this provision is unclear, especially what is meant by a" statutory body". DK proposes that it is made clear that other limitations on the representation cannot be registered. ES (Comments): It is not clear what limitations he is referring to. It should be clarified. LU (Drafting suggestions): Other limitations on the powers of representation of the directors arising from the articles of association or from a decision of **the general meeting or** a statutory body may not be relied upon against third parties. LU (Comments): Suggestion for clarification purposes.
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.	FR (Drafting suggestions): **4. Acts done by the organs of the company shall be binding upon it even if those acts are not within the objects of the company, unless such acts exceed the powers that the law confers or allows to be conferred on those organs. However, the company shall not be bound where such acts are outside the objects of the company, if it proves that the third party knew that the act was outside those objects or could not in view of the**

Commission proposal	Drafting suggestions and Comments
	circumstances have been unaware of it. Disclosure of the statutes shall not of itself be sufficient proof thereof FR (Comments): France takes due note oh the Commission's commitment to align the wording with directive 2017/1132
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.	AT (Comments): • The provision leaves open whether and to what extent directors remain responsible for the exercise of delegated powers. While the delegated individual is required to comply with the duties imposed on directors, the provision does not expressly address the continuing **supervisory and accountability obligations of the delegating directors**. This may create uncertainty regarding both oversight and liability. • Moreover, the broad wording of the provision appears to permit the **delegation of all directors' powers**. While extensive delegation may be desirable from the perspective of operational flexibility, an unrestricted transfer of all board powers raises concerns from a corporate governance perspective. If directors were able to delegate all of their powers without retaining meaningful supervisory responsibilities, the board's governance function could be substantially weakened. It would therefore be desirable to clarify that the delegation of powers does not relieve directors of their duty to supervise the exercise of those powers and that certain core functions of the board remain non-delegable. HR (Comments):

Commission proposal	Drafting suggestions and Comments
	HR suggestion: this is not quite clear solution. LU (Drafting suggestions): 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. **The liability of such individuals is determined in accordance with the general rules on mandates.** PL (Comments): This provision requires clarification regarding its scope, as the statement that "The directors may delegate any of their powers to individuals" is unclear. Given the potential liability of management board members for actions taken on behalf of the company, it is essential to clearly define the scope of permissible delegation of authority and its legal consequences. PT (Drafting suggestions): "The directors may delegate any of their powers to individuals **who are not directors only by means of a formal power of attorney issued by the company, specifying the scope and duration of the delegated powers**. In exercising the delegated powers, **such individuals** shall adhere to any legal obligations imposed on directors." PT (Comments): We consider that, for the protection of the company's interests and those of the shareholders themselves, the delegation of powers to persons who are not "directors" should be carried out by the company through a formal mandate instrument, rather than by a mere individual decision of a "director."

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Commission proposal	Drafting suggestions and Comments
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:	CZ (Comments): Read together with Article 42(2), the current wording allows for an interpretation under which directors' duties apply only to members of the administrative body. However, EU Inc. enjoys full flexibility in structuring its internal bodies. It is therefore conceivable that key responsibilities intended to be covered by directors' duties could be assigned in the articles to members to another body, to whom those duties would not apply under Article 42(2). In CZ's view, liability should extend to all persons who effectively participate in the management of the company, regardless of the body of which they are members. A broader definition of director that would include *de facto* directors might prevent this issue. DK (Drafting suggestions): . ~~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) (b) in good faith and in the best interests of the company~~ (c) ~~(c) with reasonable care, skill and diligence.~~ DK (Comments):

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	Denmark considers that it is a matter for the MS and does not see a need for further harmonization or codification of the Business Jugdement Rule. DK therefore proposes paragraph 1, subparagraph a-c deleted and suggests that the paragraph instead contains a reference to national law. PL (Comments): This provision conflicts with the aim of full harmonization under Directive 2017/1132. EU law seeks to standardize the obligations of directors. Leaving the issue of liability to national law means that "reasonable care" will be interpreted differently in each country. The lack of full harmonization of the rules on directors' civil liability may lead to forum shopping: investors will choose to register in countries with the weakest creditor protection; SE (Drafting suggestions): ~~1. Without prejudice to further obligations that may apply in specific situations, a director shall have the duty to always act:~~ SE (Comments): Regarding article 44.1., concerning how a director shall act, is our opinion that this provision should be deleted. It must be considered self-evident that the board of directors should always act in a manner that is compatible with the articles of association (point a). What is otherwise stipulated in the provision – that the board of directors must act in good faith and in the best interests of the company and with reasonable care, skill and diligence (points b and c) – could on theoretic level be able to form the basis for how a member of the board of directors should act.

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	However, these criteria of indeterminate meaning will, in practice, create ambiguities as to what applies. This is problematic because any action contrary to these requirements may result in board members being liable for damages. The regulation should therefore only regulate what are the duties of directors, not in which way the duties are to be carried out. These issues should be left to national law. SK (Comments): With regard to this provision, the Slovak Republic would welcome clarification as to whether the internal decision-making process within the board, including situations of disagreement between directors, remains governed by the applicable national law. As the proposal does not appear to harmonise the internal decision-making rules of the board, it would be useful to clarify this expressly.
(a) in accordance with the company's articles of association;	SE (Drafting suggestions): ~~(a) in accordance with the company's articles of association;~~ SK (Drafting suggestions): in accordance with this Regulation, the company's articles of association and any lawfully adopted and binding resolution of the general meeting; SK (Comments):

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	The Slovak Republic notes that directors should at all times be required to act in accordance with the Regulation, the articles of association, resolutions of the general meeting and, subsidiarily, the applicable national law. We therefore propose that the negative formulation currently contained in paragraph 2 be reformulated in positive terms and incorporated into paragraph 1(a).
(b) in good faith and in the best interests of the company;	HR (Comments): HR this is quite commonly used terminology, but jurisprudence on "good faith and best interests" can differ in MS. SE (Drafting suggestions): ~~(b) in good faith and in the best interests of the company;~~ SK (Drafting suggestions): (b) in good faith and in the best interests of the company; the determination of the best interest of the company shall be governed by the applicable law of the Member state in which the EU Inc. has its registerd office. SK (Comments): We note that the concept of the "best interest of the company" is understood differently across Member States. In some jurisdictions, it is interpreted narrowly, while in others it also encompasses the interests of stakeholders such as shareholders, employees, or business partners. Although recital 34

Commission proposal	Drafting suggestions and Comments
	provides some clarification, it appears insufficient to ensure a uniform understanding of this concept. We therefore suggest either providing a definition of the "best interest of the company" within the proposal or, alternatively, clarifying that its interpretation shall be governed by the applicable law of the Member State of registration.
(c) with reasonable care, skill and diligence.	HR (Comments): HR the same as under (b) SE (Drafting suggestions): ~~(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.	AT (Comments): • The provision contains no explicit fault element, leaving it unclear whether the determination of fault-based liability is intended to be governed by national law. • Moreover, Article 44 seems to harmonise only aspects of internal liability (liability towards the company), raising the question of the extent to which national law may apply subsidiarily beyond this **scope**. SE (Drafting suggestions): 2. A director **who in the performance of his duties, intentionally or negligently causes loss or damage to the company,** shall be liable to the

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	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.~~ SE (Comments): Concerning article 44.2, this provision should be amended and only stipulate that a liability for a director arise where the director causes harm to the company, whether intentionally or through negligence. This should include circumstances where the board member acts in breach of this Regulation, applicable national law or a resolution of the general meeting.
3. A director shall not be liable to the company:	LV (Comments): Latvia considers that the business judgment rule provided for in Article 44(3) could be considered only for a narrower category of companies, namely start-ups and scale-ups, whose business activity is by its nature linked to higher business risk-taking, faster testing of business models and the need to adapt or discontinue business activities rapidly. SE (Drafting suggestions): ~~3. A director shall not be liable to the company:~~ SE (Comments): The provision in article 44.3 – the business judgment rule - regulating when a director is not liable for damages – should be deleted by the same reasons as why the provision in article 4.1 should be deleted.

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	SK (Drafting suggestions): 2. A director shall be liable to the company for any act or omission in breach of the duties set out in paragraph 1~~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.
(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;	AT (Comments): The interaction between para. 3(a) and para. 1 appears insufficiently clear and would benefit from explanation. ES (Drafting suggestions): ~~Exercided the care thar a reasonably prudent person would use~~ ES (Comments): The invocation of the standard of ordinary prudence does not provide effective protection for the administrator, since business innovation, and in general any business action, requires a risk tolerance incompatible with that standard. A liability regime that assesses conduct against that standard penalises the innovation that the Regulation seeks to incentivise. Under this standard, any business decision could be subject to substantive judicial review on the merits. HR (Comments): HR Again the terminology might have different signification in MS jurisprudence.

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	NL (Comments): The Netherlands has strong objections to the business judgment rule set out in Article 44(3)(a). This rule, originating in the U.S. state of Delaware, boils down to the court being allowed to review the substance of directors' conduct only when the legal person can demonstrate that the decision was reached in a defective manner. This legal transplant from the US sits uneasily with the directors' liability regimes of several EU Member States, amongst others the Netherlands, under whose law the court, in short, must consider all the circumstances of the case to assess whether the director has properly performed their duties. The Netherlands considers it important that the courts retains sufficient room to weigh all the circumstances of the case to reach an equitable decision. Therefore, the Netherlands proposes deletion of this provision. SE (Drafting suggestions): ~~(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.	FR (Drafting suggestions): (b) for any damage or loss incurred by the company resulting from an action ~~taken based on~~ **strictly complying with** a lawful resolution of the general meeting. FR

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	(Comments): The immunity provided for in cases where a measure is taken based on a lawful resolution of the general meeting seems to be granted too broadly LT (Comments): Article 44(1)(b) and (c) establishes the duty for directors to always act in good faith, in the best interests of the company and with reasonable care, skill and diligence. It is not clear how these duties interact with Article 44(3)(b) where a resolution of the general meeting is formally lawful but is not in the best interests of the company. The Proposal does not address this question. Under Lithuanian law, the approval of a decision by the general meeting does not release directors from liability for that decision. Directors are professionals who are required to act exclusively in the best interests of the company. Read together with Article 42(4), which grants shareholders the power to give instructions to the board of directors, Article 44(3)(b) risks reducing directors to mere executors of shareholders' decisions, thereby undermining the duty to act in the best interests of the company. This may also create conditions under which directors act as mere executors of shareholders' will, which could have a negative impact on the company itself and its creditors and other stakeholders. LT also notes that Article 44 does not address the situation where the general meeting adopts a resolution that falls outside the competence of the general meeting under the applicable rules in accordance with Article 4. It is not clear whether a director is required to implement such a resolution and, if so, whether Article 44(3)(b) would provide protection. LT considers it important to ensure that directors continue to fulfil their duty to act in good faith and in the best interests of the company as required by Article 44(1). A careful balance should be struck between the protection afforded to directors under Article 44(3) and the need to preserve their professional independence and accountability. In LT's view, Article 44(3)(b)

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	should be reviewed to ensure that a lawful resolution of the general meeting does not relieve a director of liability where acting on that resolution would be contrary to the duty set out in Article 44(1)(b). LU (Drafting suggestions): ~~**(b) for any damage or loss incurred by the company resulting from an action taken based on a lawful resolution of the general meeting.**~~ LU (Comments): LU suggests deleting this item (b). Directors should always act in the corporate interest of the company. NL (Comments): Furthermore, the Netherlands is worried about Article 44(3)(b) which states that directors cannot be held liable by the company where they act upon a lawful resolution of the general meeting. The Netherlands is of the opinion this goes against the responsibility that the directors have to always act in good faith and in the best interest of the company (Article 44 (1)(b)). The Netherlands proposes deletion of this provision. SE (Drafting suggestions): ~~(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.	AT (Comments):

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	It is **unclear** which aspects are governed by national law and which are fully harmonised at Union level. CZ (Comments): CZ supports further harmonisation of directors' liability and a comprehensive discussion on this topic. However, the rules must be designed carefully so as not to lead to a decrease of national liability standards. In this respect, EU Inc. must not become a tool for circumventing existing rules or reducing the accountability of members of corporate bodies. ES (Comments): It should be clarified what responsibility it refers to. FR (Drafting suggestions): 4. The liability of directors **to the company** shall be further governed by the applicable national law **in accordance with the Article 1 (2) (d) of Regulation (EC) No 864/2007 of the European Parliament and of the Council. This provision is without prejudice to liability of directors to the shareholders or third parties under national laws** FR (Comments): "the applicable national law" is ambiguous PL (Comments): It is necessary to precisely define the scope of application of national law; in particular, whether national law also applies to the liability of directors to

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	creditors for the company's obligations (in the event that a petition for bankruptcy is not filed in a timely manner). PT (Drafting suggestions): 5. Members of corporate bodies with supervisory functions must observe duties of care, applying high standards of professional diligence, and duties of loyalty, in the interests of the company PT (Comments): It would be advisable either to create a specific article or to include a reference here to the duties of the supervisory body/statutory auditor, "." SK (Comments): If a genuine 28th corporate law regime is to be established, it is clear that harmonizing only the basic features of the company will not suffice. A more unified directors' liability regime is necessary; otherwise, each dispute will inevitably require recourse to national law. At the same time, it is not realistic to require full harmonization of directors' liability rules. It is therefore necessary to focus on harmonizing those elements that can be realistically achieved and that would bring the greatest practical added value. We therefore propose to harmonize in particular: • passive standing, i.e. who may be sued, including by defining the concepts of de facto director and shadow director, as outlined above; • a uniform allocation of the burden of proof in relation to breaches of fiduciary duties;

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	• in this context, it may be appropriate to link Article 56 on court-appointed expert reports with Article 44 on directors' liability, and to consider the legal effects of an expert report establishing a serious breach of law or of the articles of association;
	• the definition of the "best interests of the company", as outlined above;
	• liability of the board as a collective body, in particular:
	  ○ whether all directors are liable or only those who voted in favour of the decision;
	  ○ the conditions for exoneration of a dissenting director, including relevant safeguards;
	• conditions for exculpation of directors who can demonstrate that they dissented from the decision and that their dissent was duly recorded.
	
	In future discussions on the harmonization of directors' liability regimes, it should also be taken into account that some Member States regulate liability mechanisms primarily under corporate law (where the applicable law is the law of incorporation), while others regulate them primarily under insolvency law (where the applicable law is determined by the centre of main interests – COMI). In practice, depending on the interplay of these conflict-of-law rules, situations may arise where directors are either subject to dual liability or, conversely, escape liability altogether. Neither outcome would be desirable for the EU Inc. framework.

Article 45 ***Directors´ conflicts of interest***	BG (Comments): As a general rule, it could be provided that a shareholder or his representative may not take part in the vote to bring claims against him and to take action to enforce his liability towards the company

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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.	AT (Comments): • AT considers that Art. 45 should operate as a **clear default mechanism ensuring a minimum level of protection**, which may be supplemented by the articles of association. This is particularly relevant in light of the general duties of directors under Art. 44, which already provide a baseline standard of protection. • It should also be clarified that any derogation from the conflict-of-interest rules by the shareholders must not amount to a release from **liability** where a director acts in breach of duty and causes damage to the company; the general duties under Art. 44 apply irrespective of any deviations in the articles of association. CZ (Drafting suggestions): 1. ~~Unless otherwise provided in the articles of association, a~~**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 **or a supervisory board, if so provided in the articles of association**, of any matter that may involve a conflict of interest between the director's own interest and the company's interest. CZ (Comments): The current wording is too lenient and leaves excessive scope for abuse without sufficient justification. CZ agrees that EU Inc. should have flexibility to set rules in the articles; however, it would be preferable, for example, to allow designation of another body, a supervisory board, to be informed of conflicts of interest instead of

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	the general meeting. This is also a more flexible solution, suitable for start-ups and scale-ups. However, the obligation to disclose conflicts of interest must not be excluded. Such exclusion could lead to frequent abuse by founders of EU Inc. and to a deterioration of the position of investors and creditors. It is not sufficient to rely solely on the duty of care, as shareholders may not even be aware of the existence of a conflict. Transparency is essential. At the same time, the administrative burden associated with disclosure is minimal and fully justified. It may also be mitigated by allowing disclosure to a different body. FI (Drafting suggestions): Deleted. FI (Comments): FI: The promotion of the company's interest and equal treatment of shares/shareholders should be the most pivotal tasks of the board of directors. In that light, the provisions of the Article seem a bit at crossroads with those objectives (if it is to be read that just by informing fellow directors and a by a consent of majority shareholders (at AGM/AA) one can e.g. trade with the company despite serious self-interest and to the disadvantage of the minority shareholders). . FR (Drafting suggestions): 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

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	that may involve a conflict of interest between the director's own interest and the company's interest. FR (Comments): France takes due note of the Commission's commitment (Working Party on Company Law, May 5th) to make sure that the articles of association can be more restrictive, but they cannot eliminate it LT (Comments): LT considers that Article 45 addresses only the formal aspects of conflict of interest management and does not fully reflect the loyalty obligation of a director. A director should be required not only to disclose a conflict of interest, but also to take active steps to protect the company from potential loss, including informing the competent body of known potential risks and negative consequences. Formal disclosure alone does not fulfil the duty of loyalty if the director fails to act in the company's best interests. The obligations set out in Article 45(1) and (2) should be mandatory and not subject to modification by the articles of association of an EU Inc. company. Allowing the articles of association to disapply these obligations would undermine director accountability and the protective purpose of this provision. LT suggests exploring the possibility of allowing the articles of association to specify the procedure for notifying the competent body of a conflict of interest and for deciding on abstention from the relevant decision, but not to modify or disapply the obligation to disclose the conflict of interest itself. LV (Comments):

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	Latvia can generally support the approach of Article 45, which provides for rules on directors' conflicts of interest. At the same time, Latvia considers that the obligation to disclose a conflict of interest should remain mandatory. In Latvia's view, even where shareholders are given flexibility to determine how conflicts of interest are to be handled, a minimum level of transparency must always be ensured. This is particularly important from the perspective of minority shareholder protection and the possibility to review or challenge decisions where a conflict of interest has occurred. NL (Drafting suggestions): 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. NL (Comments): Since we believe the EU Inc. should be a reliable company form, we are concerned about the fact that Article 45 allows conflicted directors to participate in decision-making in case (i) the articles of association or (ii) the shareholders allow for this. According to the Netherlands this provision should without exceptions be mandatory for all EU Inc. companies regarding conflicts of interest. Furthermore, the Netherlands is of the opinion that it should be determined what happens under Article 45 when all the directors' of an EU Inc. are conflicted. We will provide text suggestions at a later stage. SE (Drafting suggestions):

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	~~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.~~ SE (Comments): We prefer this article being erased and the issue regulated by national law. However, if the article is not being erased, this article needs to be nuanced in relation to the size of the company and in relation to the protection of the company's stakeholders. The provision in its current wording is more appropriate for smaller companies with a limited number of stakeholders. For larger companies, it should not be possible to deviate in the articles of association from these rules on conflicts of interest, and only possible to deviate after a decision at the general meeting and in some cases maybe not at all. SK (Drafting suggestions): ~~Unless otherwise provided in the articles of association, a~~ 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. SK (Comments): We consider Articles 45 and 46 to be key provisions; however, their current wording does not appear sufficiently clear. During the last Working Party

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	meeting, the Commission explained that both Articles allow companies to adopt only stricter rules than those set out therein. However, both provisions are drafted in very flexible terms, using formulations such as "unless otherwise provided in the articles of association" and "the articles of association may…". It is of the utmost importance that the text has a clear and appropriately firm wording, which will minimise the risk of misuse of the company structure for fraudulent purposes and asset stripping. The test should therefore be redrafted accordingly. Recital 34 does not address our concerns, as the provisions rely on permissive wording ("may") and allow for a high degree of flexibility.
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.	EE (Drafting suggestions): 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 approval is granted by persons who themselves have no conflict of interest and appropriate safeguards are in place to exclude the director's influence on the granting of such approval.** EE (Comments): Estonia considers it necessary to clarify in the proposal the provision on conflicts of interest of directors by establishing the principle that a director may not participate in decision-making in situations where they have a conflict of interest. In such cases, approval should be granted only by persons who themselves have no conflict of interest, and appropriate safeguards should be put in place to exclude the director's influence on the granting of such approval. Clarifying the wording in this way would prevent situations where a

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	resolution of the general meeting approving a transaction is itself adopted under a conflict of interest. FI (Drafting suggestions): 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~~. FI (Comments): FI: No exceptions to the obligation to refrain under mandatory provisions of the Regulation should be permitted. Might be also deleted altogether. FR (Drafting suggestions): 2. A director shall refrain from taking part in a decision **or any transaction** 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. FR (Comments): France takes due note of the Commission's commitment (Working Party on Company Law, May 5th) to rephrase article 45 in order to extend the requirement to abstain to situations involving representation. NL (Drafting suggestions): 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=.

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	SE (Drafting suggestions): ~~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.~~ SK (Drafting suggestions): 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. Any such authorisation by the general meeting shall be made public in the Business register.
	PT (Drafting suggestions): A director who has, directly or indirectly, an interest conflicting with that of the company in a given transaction shall disclose it to the board and abstain from the relevant decision; the conflict and its handling shall be recorded. PT (Comments): It should be considered establishing a non-derogable minimum
Article 46 ***Related party transactions***	FI (Comments): FI: In general, we note that the MS have diverging views on which body should have the power to make the decisión on related party transactions. Best left for the national legislation of the register state.

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	PT (Comments): This type of clause is not included in the minimum content of the articles of association referred to in the Annex. If it falls outside the pre-approved articles of association template that allows incorporation or amendments to the articles through the fast-track procedure, whenever an EU Inc. wishes to include this type track of provision in its articles, it will be subject to the registration procedure and costs of the relevant Member State. **Proposal**: This type of clause, which protects the company's own interests, the interests of the shareholders and those of other stakeholders, could be included in the EU Inc. articles of association template SK (Comments): We propose strengthening Article 46 by introducing a mandatory approval requirement for significant transactions exceeding a specified threshold, by analogy to Directive 2007/36/EC (Article 9c).
	FR (Drafting suggestions): **4. When negotiating a company transaction with a director or a shareholder, that director or shareholder concerned shall disclose the project to the board of directors before signing. The EU Inc. is not bound if this obligation has not been fulfilled.** **5. The board of directors shall annually make a statement listing all related party transaction entered into or continued during the financial year, and submit it to the shareholders** FR

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	(Comments): The freedom recognized to articles of association can't elude any requirement regarding related party transactions. A disclosure requirement is the bare minimum. LT (Comments): Article 46(1) provides that the articles of association may require approval of, or impose restrictions on, transactions between the EU Inc. and its directors, shareholders or related parties. The EU Inc. company may be formed without any rules on related party transactions if the articles of association do not address this matter. As the liability under Article 46(2) arises only in the event of a breach of provisions adopted pursuant to paragraph 1, it follows that, in the absence of such provisions in the articles of association, no specific liability for related party transactions applies. This creates a significant gap from the perspective of the protection of the company, its shareholders and its creditors. The approach taken in Article 46 is also closely linked to the question of the legal form of the EU Inc. company. Article 4(3) provides that Member States shall designate a national legal form whose rules apply to EU Inc. companies. Under Article 60, an EU Inc. company may apply to have its shares admitted to trading on a regulated market, if the Member State so provides under its national law. Where Directive 2017/828, Article 9c, already imposes detailed requirements on companies with shares admitted to trading on a regulated market as regards the disclosure of related party transactions under national law, the non-mandatory rules under Article 46 would result in EU Inc. companies being subject to less demanding requirements on related party transactions than other companies with shares admitted to trading on a regulated market incorporated under national law in the same Member State. This would create an uneven playing field to the detriment of transparency and investor protection.

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	LT considers that this aspect should be reviewed and suggests that Article 46 be revised to ensure that EU Inc. companies with shares admitted to trading on a regulated market are subject to requirements on related party transactions equivalent to those applicable to other companies with shares admitted to trading on a regulated market incorporated under national law implementing Directive 2017/828.
1. The articles of association may:	AT (Comments): For **listed companies**, **Directive 2007/36/EC** as amended in 2017 would take precedence, meaning that its rules on related-party transactions would likely supersede the Regulation in such cases. Clarification on this interaction is requested. CZ (Drafting suggestions): 1. **The general meeting, or a supervisory board, if so provided in the articles of association, shall be informed about transactions between the EU Inc. and all or certain directors, shareholders or related parties ("related party transactions").** The articles of association may: CZ (Comments): The same concerns as for conflicts of interest apply to related party transactions. While the articles may adjust the details, the basic obligation to disclose related party transactions must remain. CZ does not see any legitimate reasons for excluding this disclosure obligation. DK (Drafting suggestions):

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	1(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~~ **are presented and approved** by the board of directors, ~~the general meeting or of the directors or shareholders not involved in those transactions~~ DK (Comments): Denmark does not agree with current the wording and the approach in article 46. DK proposed that approval is only necessary for certain transactions. Furthermore DK proposes that the provision should also state that if the transaction is carried out on normal market terms, approval will not be required. Lastly DK proposes that these party related transactions must be presented and approved by the management board. ES (Comments): There should be some control over related parties and not leave the applicable regime entirely to the statutes. And establish who are considered related parties. LV (Comments): Latvia can generally support the flexible approach provided for in Article 46 as regards related party transactions. However, Latvia considers that related party transactions should always be subject to a mandatory disclosure requirement.

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	Even if the articles of association may determine the approval procedure or additional safeguards applicable to such transactions, the disclosure of related party transactions should remain a minimum mandatory safeguard. In Latvia's view, this is necessary to ensure transparency, protect minority shareholders and allow for effective ex post review where necessary. SE (Drafting suggestions): ~~1. The articles of association may:~~ SE (Comments): This article should be deleted. The issue of related party transactions should be governed by national law in the Member State where the company is registered. If that will not be the case, there will be an imminent risk that national companies convert to EU Inc. companies to benefit from the related party transactions rules in this regulation. That would risk causing harm to the shareholders and undermine the trust in EU Inc. as such. If the article is not deleted, the article should instead be amended. It should follow from the article, that if the company is of a certain size, the provisions of this Article are to apply and that they cannot be derogated from by provisions in the articles of association. Furthermore, it should be clarified what is meant by "transactions".
(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	CZ

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to the attention of the board of directors, the general meeting or of the directors or shareholders not involved in those transactions;	(Drafting suggestions): (a) require that ~~certain or all transactions between the EU Inc. and all or certain directors, shareholders or related parties~~ **related party transactions** are approved by ~~or brought to the attention of the board of directors,~~ the general meeting or ~~of the directors~~ **a supervisory board** or shareholders not involved in those transactions; CZ (Comments): See above. SE (Drafting suggestions): ~~(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.	SE (Drafting suggestions): ~~(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.~~
	CZ (Drafting suggestions): **Transactions entered into in the ordinary course of business and concluded on normal market terms shall not be considered related party transactions.** CZ

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	(Comments): To facilitate ordinary business operations, we propose introducing an explicit exemption modelled on Article 9c(5) of the Shareholder Rights Directive.
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.	SE (Drafting suggestions): ~~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.	SE (Drafting suggestions): ~~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***	CZ (Comments): With the exception of this Article, the proposal contains no rules governing the organisation of the general meeting. Such rules are, however, essential, particularly in companies with a larger number of shareholders, as they enable the effective exercise of shareholder rights. Cross-border organisation of general meetings without harmonised rules may significantly undermine the objectives of the Regulation and lead to fragmentation. CZ considers that at least basic rules should be included, covering: • convening of the general meeting,

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	• notice requirements, • record date for participation, • conduct of the meeting, • determination of the agenda and the right to propose amendments, • right to ask questions, • right to propose resolutions. While these rules may be modified in the articles, certain boundaries should be established (subject to further discussion). At the same time, a harmonised default model should exist to avoid uncertainty as to whether these matters fall under national law. EL (Comments): We recommend that a secure framework is added.
	LT (Comments): The following comment is submitted as a general observation regarding the minimum periods for calling the general meeting and for providing shareholders with sufficient information regarding the items on the agenda (Article 56(3)). Article 4(2) of the Proposal provides that matters not covered by the Regulation or the articles of association shall be governed by the national law of the Member State in which the EU Inc. has its registered office. As the Proposal does not establish minimum time limits for calling the general meeting or for providing shareholders with sufficient information regarding the items on the agenda, these matters would fall within the scope of applicable national law. This approach risks undermining the objectives of the Proposal, as leaving fundamental procedural aspects of the general meeting to varying national laws would result in fragmentation and legal uncertainty and may also

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	be incompatible with the aim of enabling EU Inc. companies to operate and take decisions swiftly. It is therefore suggested that consideration be given to establishing these minimum periods in the Proposal.
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.	AT (Comments): The provisions on general meetings **leave several fundamental procedural questions open**. It remains unclear who is responsible for convening the general meeting, in which form and within which time limits. Further uncertainties concern procedural rules, and documentation and record-keeping obligations, as well as the treatment of defective or void resolutions. Clarification is therefore needed as to whether, and to what extent, **national company law** is intended to apply subsidiarily in these areas. CZ (Drafting suggestions): 1. The general meeting**,** ~~and~~ meetings of the board of directors **and meetings of another bodies** 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. CZ (Comments): Clarification is needed that the rules on meetings apply to all bodies that may be established within EU Inc. HR (Comments): HR rules for on line of hybrid meetings-could be defined in Articles of association this topic is going to be regulated sufficiently to avoid missuses (for example: identification of members, possible problems in on line voting

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	etc.) In this case is the template of Articles of association have the place where this will be regulated? Annex doesn't have such provision in a minimum content-this should be reconsidered. LU (Drafting suggestions): The general meeting and meetings of the board of directors **or any statutory body** 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. LU (Comments): For consistency purposes as the proposal allows for a statutory body other than the board of directors and the general meeting.
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;	

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(c) be identified by electronic means considered valid by the board of directors to ensure the authenticity of the participation.	
Article 48 ***Written resolutions***	BG (Comments): In the context of ensuring a balance between efficiency (possibility of written decisions) and protection of shareholders and investors by ensuring real participation, transparency and control, we have concerns about the envisaged possibility of taking written decisions without a General Meeting. In the case of Limited Liability Company, our national legislation explicitly allows written decisions without holding a General Meeting, if all partners agree, but in the case of Joint-Stock Company, there must be a General Meeting, as transparency, participation and protection of shareholders should be guaranteed. In this regard, as we are unfamiliar with the figure of a limited liability company with shares, especially since it will be able to trade them on securities markets, these concerns arise, so we would like the Commission to provide more clarity on this issue. PT (Comments): This provision offers useful flexibility for early-stage companies and appears well suited to their needs. At the same time, it may be important to ensure that, where the general meeting is dispensed with, the information and participation rights of minority shareholders remain adequately safeguarded. This would help preserve an appropriate balance between flexibility and shareholder protection.

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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.	FI (Drafting suggestions): 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 **where** all shareholders agree ~~in writing to cast votes in writing~~. FI (Comments): FI: Unanimous decision of all shareholders even without a provision of the bylaws should be allowed.
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.	FI (Comments): FI: Notwithstanding the majority being reached, the objecting shareholders should be permitted a reasonable time to express their view in order to avoid their civil liability, in particular, if the decision (of the majority) is against the law or Articles of Association. LU (Drafting suggestions): 2. A written resolution is passed when the required **quorum and** 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:	

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(a) the text of the proposed resolution is sent or made available digitally to all shareholders;	ES (Comments): A deadline for sending and receiving should be established LV (Comments): Article 48 (3) refers to proposed resolutions being provided digitally, it should be clarified whether this can be done by ordinary electronic means, such as e-mail, or whether the Regulation requires the use of specific digital tools or platforms. More generally, we consider that greater clarity is needed throughout the Regulation as regards the use of the terms “digital” and “electronic”, in order to ensure a common understanding of those concepts and uniform application across Member States.
(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.	

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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***	SK (Comments): An important element of minority shareholder protection in the Slovak Republic is the general rule prohibiting the abuse of shareholder rights, or conduct that disadvantages a shareholder in an abusive manner (Article 52 is not considered in this context, as it does not contain a prohibition as such, but merely addresses the consequences of a shareholder's exit). This could, for example, allow majority shareholders to systematically abstain from voting and thereby block corporate decision-making. Such a provision is absent from the proposal. It is assumed that the application of these rules would apply on a subsidiary basis; however, given their cross-cutting nature, this should be clarified.
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.	AT (Comments): AT considers it necessary to explicitly provide for **minimum shareholder protection rules**. Given the high degree of flexibility and reliance on the articles of association, a baseline level of minority shareholder protection is essential. Without such safeguards, there is a risk that core control and information rights may be effectively weakened in practice. In particular, consideration should be given to ensuring minimum standards regarding information and inspection rights, the right to convene a general meeting, judicial protection against resolutions, and mechanisms to enforce company

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	claims against directors. As the Regulation remains silent on these issues, it is unclear whether and to what extent **national company law** is intended to apply subsidiarily. FI (Drafting suggestions): ~~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.~~ FI (Comments): **FI: This provision shall be deleted.** The quorum is conducive to paralyse the decision-making of the general meetings. This is in sharp contrast with the needs of startups and scaleups where rapid, flexible and predictable decision-making is of the essence. The general meeting should be able to decide as soon as at least one shareholder participates (on the condition that the notice of the general meeting has been sent to the shareholders in accordance with the law or the articles of association). The default should be without such requirement. If absolutely wanted, the quorum could be stipulated by a provision in the Articles of Association of an individual company. LT (Comments):

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	Articles 49(1) and (2) provide that both the quorum and the majority required for shareholders' decisions may be modified by the articles of association without any minimum threshold. In Lithuania's view, this may allow the articles of association to set rules that significantly undermine the rights of minority shareholders, and minimum mandatory requirements should be considered. SE (Drafting suggestions): ~~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.~~ SE (Comments): The provision in 49.1 should be deleted. The provisions states that the general meeting is competent to make a decision when holders of a simple majority of shares entitled to voting are present. The requirement in the provision for a quorum to be reached means that one or more shareholders are given the opportunity to block the company's operations simply by not attending the general meeting. Instead, it should be stated that the general meeting is quorate as soon as at least one shareholder participates, provided that the notice of the general meeting has been sent to all shareholders well in advance.
2. Shareholders' decisions shall be adopted by a simple majority, unless the articles of association provide otherwise.	CZ (Drafting suggestions):

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	2. Shareholders' decisions shall be adopted by a simple majority, unless the articles of association provide ~~otherwise~~ **for a higher majority**. CZ (Comments): It should be expressly stated that the articles of association may provide for a higher quorum (for certain resolutions), not a lower. FI (Drafting suggestions): 3
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.	CZ (Drafting suggestions): 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~~ **for a higher majority**. 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. CZ (Comments): The quorum for adopting changes to the articles of association should always be higher, two-thirds of the votes cast seems to be appropriate. Nevertheless, by allowing to provide "otherwise" in the articles of association the quorum could be significantly lower which can negatively impact minority shareholders. FI (Drafting suggestions):

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	. Amendments to the articles of association shall be adopted by a qualified majority of **at least** two-thirds of the votes cast, unless the articles of association provide **for a higher requirement**. In case an amendment increases the financial commitments or liability of a shareholder, **or otherwise weakens the rights of a shareholder,** such an amendment shall also require the express consent of that shareholder. FI (Comments): FI: There are a huge number of possibilities to shrink shareholders rights other than just by increasing their financial commitments or liabilities. These other ways of limiting the rights of the shareholders should be taken into account in the Article.
Article 50 ***Amendment of the articles of association***	BG (Comments): We would like the Commission to clarify in Art. 50 para. 2- What is to be understood by 'editorial changes of non-substantive nature '? We believe that the text should be edited in this direction in order not to create premise for future abuses. EE (Comments): Estonia considers that the proposal should explicitly provide that the articles of association of a company may be amended only by a decision of the shareholders and not by the board of directors. This would help avoid unnecessary disputes that may arise in practice and ensure better alignment with the interests of shareholders. PT

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	(Comments): This provision could benefit from additional safeguards for shareholders. While Article 50 allows the board to make editorial changes of a non-substantive nature without a resolution of the general meeting, these concepts are not currently defined, which may lead to differing interpretations across Member States. It may therefore be useful to clarify the scope of such changes and to ensure that amendments affecting shareholders' rights, share classes, voting arrangements, economic rights, the powers of corporate bodies, dilution mechanisms or minority shareholder protections remain subject to shareholder approval. This could contribute to greater legal certainty and a more consistent level of shareholder protection across the Union.
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).	LU (Drafting suggestions): 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**(1) and** (3). LU (Comments): The article should also refer to the required quorum. NL (Comments): The Netherlands does not see added value in this provision in addition to article 49 (3). SE (Drafting suggestions):

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Commission proposal	Drafting suggestions and Comments
	1. The articles of association of the EU Inc. may **only** be amended by a decision of the general meeting adopted in accordance with Article 49(3). SE (Comments): Article 50.1 should be amended so that it stands clear that decisions to amend the articles of association may only be taken by the general meeting. SK (Comments): The Commission explained during the last Working Party meeting that the articles of association may be amended either by a resolution of the general meeting or by a written resolution in accordance with Article 48. This clarification should be reflected in the recitals, as Article 50 only refers to a resolution of the general meeting.
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.	AT (Comments): The distinction between "*editorial changes of a non-substantive nature*" and substantive amendments is **not sufficiently clear**. In order to avoid uncertainty, the recitals could provide illustrative examples. CZ (Drafting suggestions): 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.~~ **Where it does not follow from the decision of the general meeting how the articles of association are to be amended, the board of directors shall**

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	amend the text of the articles of association in accordance with that decision. CZ (Comments): CZ prefers deletion of this competence. If its benefits are ultimately considered to outweigh the risks, the notion of "editorial changes of a non-substantive nature" must be clearly defined or subject to specific limits. We further propose introducing a rule allowing the board to amend the articles only where the resolution of the general meeting does not sufficiently specify how the articles are to be amended. Even in such cases, the amendment must strictly correspond to the adopted resolution of the general meeting. It may also be appropriate to clarify in a recital that such amendments are subject to preventive control under Article 27(2) and Article 14. DK (Comments): DK notes that it should be specified in a preamble what editorial changes entails. EE (Drafting suggestions): ~~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.~~ EE (Comments): Allowing non-substantive editorial changes to the articles of association creates legal uncertainty, as the distinction between substantive and non-substantive changes is not sufficiently clear.

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	This creates scope for potential abuse and increases the risk of disputes regarding the validity of amendments (in particular in situations of conflict between the board of directors and the shareholders). A practical solution that safeguards the interests of the parties is to leave even non-substantive changes within the competence of general meeting, taking into account the flexible and efficient arrangements for holding meetings. ES (Comments): Amendments to the association should be the responsibility of the general meeting. In any case, it should be clarified that "editorial changes" are understood to be an anomalous term, at least in our legal system, and dangerous since the simple modification of an orthographic sign can completely change the meaning of the rule. FI (Drafting suggestions): ~~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.~~ FI (Comments): FI: This should be deleted. A number of disputes (over what is an editorial change of non-substantive nature and what is not) can be anticipated for this provision. Any power of the board of directors to amend the Articles of Association should not be allowed, but it is best left for the responsibility of the general meeting. FR (Drafting suggestions):

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	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**, provided that the changes are necessary to comply with laws, to delete obsolete provisions, or to relocate the registered office within the borders of the Member State of registration. Those changes shall be ratified by a decision of the general meeting adopted in accordance with Article 49(3) within a year.** FR (Comments): The authority granted to executives to amend the articles of association without the involvement of the shareholders would benefit from further clarification, in order to ensure sufficient clarity and prevent the risk of differing interpretations. It would be appropriate either to define the amendments in question exhaustively or to specify that they are limited to technical adjustments, or those made necessary by legislative or regulatory changes, excluding any amendment affecting the rights of the shareholders or the company's governance balance. Anyway, the changes must be ratified by the general meeting. LT (Drafting suggestions): The board of directors may make editorial changes of non-substantive nature to the articles of association without a decision of the general meeting**, provided that the general meeting has authorised the board of directors to make such changes by a prior decision specifying their scope**. LT (Comments): The terms "editorial changes" and "non-substantive nature" are not defined in the Proposal, which creates legal uncertainty for directors, who will face

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	difficulty in assessing whether a given change falls within their competence, and for business registers, which would need to carry out a substantive review of amendments submitted by directors in order to verify that they acted within their competence – a function that goes beyond the role of a business register. Moreover, the articles of association are an expression of the shareholders' will, and their amendment should remain within the competence of the general meeting. In Lithuania's view, one possible approach would be to allow shareholders, by decision of the general meeting, to determine in advance the specific editorial changes that the board of directors may make to the articles of association without a further decision of the general meeting. LT invites consideration of whether such an approach could be reflected in the Proposal. LV (Comments): Latvia does not support the possibility provided for in Article 50(2) for the board of directors to amend the articles of association without a resolution of the general meeting, even where such amendments are described as editorial changes of a non-substantive nature. In Latvia's view, amendments to the articles of association fall within the exclusive competence of the shareholders. The concept of "editorial changes of a non-substantive nature" is too vague and may give rise to a significant number of disputes and court proceedings as to whether, in a particular case, the board of directors was entitled to make the relevant amendments without a resolution of the general meeting. MT (Drafting suggestions): 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 provided that the directors shall not bypass the shareholders on important matters.

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	MT (Comments): It needs to be ensured that directors do not bypass shareholders on important matters. Furthermore, non-substantive nature needs to be more defined. NL (Comments): The Netherlands is of the opinion that the possibility for the board of an EU Inc. to make editorial changes to the articles of association should be deleted. Changes to the articles of association should be subject to an explicit vote 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.	FI (Drafting suggestions): 1. Where a decision of the general ~~meeting or of the board of directors~~ would **negatively** 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. FI (Comments): FI: Any power of the board of directors to amend the Articles of Association (on specific rights, preferences, or privileges attached to a class of shares) should not be allowed.

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	In addition, we assume that the decisive factor in the application of the provision is the weakening of the specific rights, preferences, or privileges. The consent of those holders does not seem necessary if the amendment leads to the improvement of their position. We also wonder as to why the safeguards, that have been agreed in the operative text of Art. 4(1)(b) of the MVSD (Directive (EU(2024/2810) are not copied and applied here.
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:	FI (Comments): FI: Instead of some specific examples, the subject matter could be written in more general terms. The key thing is that the rights of the entire share class weaken (or that several share classes are combined), the decision shall be made by qualified majority.
(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.	

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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.	AT (Comments): AT considers it appropriate that the general meeting may grant directors such a right. However, this **should not apply automatically but only where expressly provided for in the articles of association**. FI (Drafting suggestions): 3. Unless the articles of association provide otherwise, the approval referred to in paragraph 1 shall require the qualified majority of **at least** two-thirds of the votes cast within the impacted class of shares. LU (Drafting suggestions): 3. Unless the articles of association provide otherwise, the approval referred to in paragraph 1 shall require **the quorum in article 49(1) and** a qualified majority of two-thirds of the votes cast within the impacted class of shares.
Article 52 ***Withdrawal of a shareholder***	PT (Comments): We would welcome clarification as to whether the competent court referred to in this provision is always the court of the statutory seat of the EU Inc. Given the relevance of this issue to the overall functioning of the regime, it may be useful to address it expressly in the Regulation. In addition, it may be worth considering the possibility of alternative dispute resolution mechanisms, such as mediation or arbitration, particularly for cross-border corporate disputes. A specialised European mediation or arbitration

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	framework could offer a flexible and efficient complement to judicial proceedings.
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.	CZ (Drafting suggestions): 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. **The court shall reject the application where the shareholder may reasonably obtain adequate redress by other means available under this Regulation, the articles of association or applicable national law.** CZ (Comments): CZ agrees with the existence of a right of a shareholder to withdraw from the EU Inc. by court order. However, it must be clarified that this remedy constitutes a measure of last resort (ultima ratio) in response to serious problems within the company. Where alternative remedies are available, shareholders should be required to pursue them first, and courts should not grant the request otherwise. If not clarified, this provision may become a standard tool for resolving shareholder disputes, which could lead to destabilisation of EU Inc. and impose a significant burden on courts, which do not have the capacity to resolve all shareholder disputes. DK (Comments):

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	Denmark finds this paragraph and especially the word "oppressive" unclear and needs further clarification. Instead of "oppressive" the wording could be "unjustly harms or excludes that shareholder," DK furthermore finds that there should be a clearer connection with preamble 37, that lists examples of such scenarios. EE (Drafting suggestions): 1. Upon application by a shareholder of an EU Inc. company, the competent court shall, **taking due account of the company's financial situation and the interests of the shareholders,** 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. EE (Comments): Such a buy-out obligation, imposed jointly on the company and the shareholders, may place an unreasonable financial burden on the EU Inc. company. The level of protection afforded to minority shareholders is higher than under Estonian national law. Estonia therefore proposes that the provision should be amended to require the competent court, when ordering such a buy-out, to take due account of the company's financial situation as well as the interests of the shareholders. LU (Comments): LU has a reserve on the interpretative issues that this criterion (i.e. that the company's affairs are being or have been conducted in a manner oppressive to the applicant) will raise (including the risk that the interpretation will be different depending on the Member state).

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2. The application referred to in paragraph 1 shall be filed against the EU Inc. company and all other shareholders.	CZ (Drafting suggestions): 2. The application referred to in paragraph 1 shall be filed against the EU Inc. company ~~and all other shareholders~~. CZ (Comments): See below. FR (Drafting suggestions): 2. The application referred to in paragraph 1 shall be filed against the EU Inc. company ~~and all other shareholders~~ FR (Comments): If the application had to be filed against all other shareholders, it would make the withdrawal impossible in companies having numerous shareholders, considering the cost and the extended duration of the proceedings
	FR (Drafting suggestions): **5. Notwithstanding the judicial withdrawal as provided for in this article, the articles of association may establish a right of withdrawal and its terms and conditions.** **6. When the EU Inc. is set up for an unlimited period of time, every shareholder is entitled to a right of withdrawal upon condition of a reasonable ground, granted by the articles of association or, if not, the judicial withdrawal as provided for in this article.**

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	Article 52a **1. Without prejudice to further obligations that may apply in specific situations, a shareholder shall have the duty to always act:** **(a) in accordance with the company's articles of association;** **(b) in good faith, without causing any harm to the interests of the company.** **2. Notwithstanding the liability of the failing shareholder, failure to comply with paragraph 1 as part of majority shareholder is a ground for invalidity of company bodies resolutions.** FR (Comments): The judicial withdrawal mechanism does not appear to provide sufficient protection for the interests of aggrieved minority shareholders. The principle of compensation for any damages suffered as a result of unfavorable decisions, as well as the possibility of challenging decisions intended to harm them, appears necessary. The right of withdrawal provided for appears to be excessively limited by the condition of "oppressive" conduct. A right of withdrawal should be possible in the articles of association. A right of withdrawal must be granted to a shareholder in case of illimited duration of EU Inc., considering our constitutional constraints.
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	CZ (Drafting suggestions):

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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.	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 rules on acquisition of own shares under Article 74 shall not apply.** 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. CZ (Comments): We consider joint liability of all shareholders to be an excessively strong solution that significantly undermines the principle of limited liability. Shareholders cannot be compelled to acquire the shares of an exiting shareholder. We consider it more appropriate for the shares to be acquired by EU Inc. itself, with subsequent application of the rules on the treatment of own shares under Article 75. At the same time, shareholders may be given the option to decide unanimously that the company acquires the shares on their behalf. ES (Comments): The possibility of the sale to a third party of the shares or other possibilities to prevent the Company from being decapitalized could be admitted. It should also be borne in mind that as it is conceived the rule can lend itself to abuse by dissenting shareholders. LU (Comments):

Commission proposal	Drafting suggestions and Comments
	LU notes that the proposal should clearly state how the date of service is determined and the effective date of the withdrawal. LU would like the Commission to explain the rationale behind the accrual of interests from the date of service of the application. PT (Comments): The practical implementation of the rule providing that the court may order the acquisition of the claimant shareholder's shares by the company and the other shareholders, where it concludes that the company's affairs have been conducted in a manner "oppressive" to the claimant, raises a number of concerns. Further consideration and clarification are therefore recommended. In particular, it is not clear whether the acquirers are both the company and the shareholders, or only the latter (with the company acting on its own account and in proportion to the number of shares held), nor how this interacts with the rule on joint and several liability of the company and the shareholders. It is also important to define who qualifies as "shareholders" (i.e., whether those holding shares at the date of the judicial claim or at the date of the decision), and to what extent the judicial action affects the free transferability of shares SK (Comments): An important protective mechanism under our national law is the action for annulment of general meeting resolutions, which we apply to all capital companies. We assume that this remedy would also be available in relation to EU Inc. Alternatively, we would like to clarify whether the safeguards provided in the Regulation (Article 52 and Article 56) are intended to constitute an exhaustive list.
	CZ (Drafting suggestions):

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	3a. The other shareholders may unanimously decide that the EU Inc. company shall purchase the shares on their account and in proportion to the number of shares they hold. CZ (Comments): See above.
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.	CZ (Drafting suggestions): 4. The EU Inc. ~~and the other shareholders are jointly and severally~~ **is** liable for the payment of the share price referred to in paragraph 3. **In case of a decision according to paragraph 3a, the other shareholders are jointly and severally liable for the payment of the share price referred to in paragraph 3.** CZ (Comments): See above. LU (Comments): LU understands from the Commission's working document that the joint and several liability of the shareholders and the EU Inc. in the event of withdrawal under Article 52 is intended to guarantee payment of the price of the withdrawing shareholder's shares. However, the right of withdrawal presupposes wrongful conduct by the EU Inc., which cannot be attributed to the shareholders, as they are not responsible for managing the company. The working document also indicates that this right is intended to protect minority shareholders; however, Article 52 may be invoked by any shareholder. Its use by a majority shareholder or a shareholder holding a

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	significant participation could have substantial financial consequences for the EU Inc.
	DK (Comments): DK finds that the proposal in its current form lacks a position on the situation where a shareholder causes harm to the company.

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CHAPTER VI – DIGITAL REGISTER, SHARES AND SHARE TRANSFERS	AT (Comments): There are **several cross-cutting concerns**: • **Integrity and control risks:** Concerns arise regarding both the risk of misuse and the adequacy of verification mechanisms. If the share register is not sufficiently safeguarded, incorrect or unlawful ownership entries may occur – for example through manipulation, identity fraud or technical errors. At the same time, it appears problematic that both the maintenance of the register and the verification of share transfers lie largely with the company itself, raising doubts as to whether sufficient independence and control depth can be ensured. • **Legal protection and correction mechanisms:** It is not sufficiently regulated how incorrect or abusive entries can be corrected swiftly and effectively, nor what legal position the materially entitled shareholder holds in such cases. • **AML and sanctions-related risks:** Doubts arise as to whether companies – particularly without the involvement of external experts – can perform identity checks, anti-money-laundering due diligence and sanctions screening with the required level of quality. In particular, independent third-party control (e.g. by intermediaries) is lacking. • **Member State discretion:** It remains unclear to what extent Member States may introduce additional safeguards; the reference to national law in Art. 59(10) appears too indeterminate in this regard. • **Availability and reliability of ownership information:** Questions also arise as to whether the proposed system ensures that information on ownership structures is available to competent authorities in a timely and reliable manner, especially for the register of beneficial owners. This may hinder the identification of circumvention structures. CZ

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	(Comments): While CZ understands the Commission's explanations that EU Inc. should have relative flexibility in choosing the shareholder register system, we note that the rules are not sufficiently clear for a typical user. As this is a Regulation, clarity is essential for practical usability. EU Inc. is intended to be a widely accessible and simple legal form; unclear rules on maintaining the shareholder register do not contribute to achieving this objective. A default, dispositive set of rules should be available, from which founders may deviate, but which are functional even without extensive intervention. The overall concept of a digital shareholder register with constitutive effect maintained by the company itself appears overly optimistic and does not provide sufficient protection for shareholders against abuse by management or controlling persons. If such a concept is to be viable, it will require a substantial strengthening of safeguards and protection mechanisms for shareholders, including a more detailed framework for correcting errors in the register. EE (Comments): Estonia can support the digital register of shares maintained by EU Inc., as well as its constitutive effect (where ownership is transferred upon registration), only provided that the proposal sets out clear rules to ensure reliability and legal certainty, in particular as regards the recording of conditional share transfer agreements and the establishment of security rights in the register. PT (Comments): We have concerns regarding the legal certainty associated with the digital registration of shares (with constitutive effect) and the fully digital transfer of

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	shareholdings. It is essential to ensure appropriate safeguards are in place to maintain investor confidence
Article 53 ***Registered shares***	BG (Comments): According to the national law and in particular, the Public Offering of Securities of Bulgaria Act, the issuance and disposal of dematerialized financial instruments has effect from their registration in the central register of securities kept by the Central Depository , which also keeps the books of the holders of dematerialized securities. Book-entry financial instruments in the central securities register shall be regarded as financial instruments of their holders vis-à-vis all other third parties. In view of the fact that EU legislation, including financial market regulation, is not harmonised at EU level on issues relating to the issue of securities and the certification of title to them, we believe that the national regime should prevail. Should the proposal be maintained, the Regulation should provide for conditions allowing flexibility for Member States to maintain the existing framework at national level, especially in the context of their potential admission to trading.
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.	AT (Comments): Granting constitutive effect to the registration in the digital share register raises **significant concerns regarding legal certainty and system integrity**. If ownership is created solely through registration, the reliability, accuracy and security of the register become essential. Clarification is needed on which safeguards ensure that entries cannot be manipulated, incorrectly recorded or

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	technically compromised, and how erroneous or abusive entries can be corrected swiftly and effectively. ES (Drafting suggestions): 1. The shares of EU Inc. shall be dematerialised and entered in a digital share register maintained by the business registers. The entry of the shares in the digital share register shall have constitutive effect and shall serve as proof of ownership. FI (Comments): FI: We note that under national acts in some MS, in the context of share issuances, the entry of new shares in the business register has the constitutive effect. This is stark contrast with the proposed Art. 53. In addition, the Annex to the proposed regulation would contain provisions on the minimum contents of the Articles of Association of an EU Inc., among others the total number of shares issued. Now, does the recording of shares in the digital share register still have a constitutive effect even though the total number of shares issued would still have to be stated in the Articles of Association was not amended? Such practical matters should be clarified, as to how the information in the digital share register would relate to the information in the Articles of Association, or how the regulation would work in situations where an EU Inc. seeks to transform its legal form into a national limited liability company. HU (Drafting suggestions):

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	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. HU (Comments): If an entry into the digital register has a constitutive effect that means that registration is a prerequisite for the existence of ownership. In Hungary, registration is only a condition for exercising shareholder rights vis-a-vis the company, the failure to be registered in the share register does not affect the shareholder's ownership. LU (Comments): This paragraph should establish a presumption of ownership; otherwise, ownership of shares would depend on the actions of the EU Inc. LV (Comments): Latvia does not support the rule provided for in Article 53(1) whereby registration in the digital register of shares has constitutive effect and evidences ownership of shares. In Latvia's view, such an approach is not compatible with national civil law systems where ownership derives from a legal transaction and not solely from an entry in a register. This is particularly problematic where the register is maintained by the company itself. In Latvia's view, an entry in the register may be relevant for the exercise of rights attached to the shares *vis-à-vis* the company and third parties, but it should not in itself constitute ownership. NL (Comments):

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	The Netherlands has considerable concerns on **article 53**, that provides that registration of a share in the digital register of the EU Inc has constitutive effect. There seems to be no room for preventive control on the issuance and transfer of shares. **Article 59** determines that any additional formalities, such as a notarial deed, on the transfer of shares are not allowed. NLD has said it before, but for us this is difficult to reconcile with the obligations under the new European anti-money laundering regulation. It also raises questions on the legal certainty of the issuance and transfer of a share. • The Netherlands does understand that it is undesirable if considerable differences in the requirements on share issuance and transfer exist throughout the MS, but additional safeguards are necessary. NLD therefore advocates for stronger checks and balances at the level of the regulation itself. NLD will provide text suggestions for this in the future. PL (Comments): This provision raises significant concerns. Making an entry in the share register constitutive means that the creation and transfer of share rights will be contingent upon an entry being made in that register. Such a solution requires a high level of reliability, impartiality, and professionalism on the part of the entity maintaining the register. Meanwhile, the draft allows the company itself to maintain the register, which leads to a conflict of interest. As an entity with a vested interest in a specific ownership structure, the company gains de facto influence over the timing and effectiveness of the creation or transfer of share rights. Given the constitutive nature of the entry, this means the company can influence the composition of its shareholders, which conflicts with the fundamental principles of corporate law and the security of transactions.

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	This solution also increases the risk for market participants, particularly for bona fide purchasers of shares, whose legal status becomes dependent on an act under the company's control. In national systems, such as in Poland, where the entry is constitutive in nature, the function of maintaining the register is generally entrusted to independent and professional entities, which constitutes a significant safeguard. Departing from this standard without introducing equivalent safeguards should be assessed as a solution that reduces the level of security in commercial transactions. For these reasons, the maintenance of the register for EU_Inc should be entrusted to an independent and professional entity. PT (Comments): The EU Inc. may manage the digital share register privately and, it appears, may even delegate this function to third parties. The possibility of using distributed ledger technology (DLT) for the transfer of shares is also envisaged. This new system runs counter to the existing systems for the registration and transfer of shares in many EU countries and would be inconsistent with the EU's own recommendations on combating money laundering, tax evasion and corruption, as well as with those of international organisations such as the FATF and the OECD
2. The articles of association may provide that shares are issued, recorded and transferred using distributed ledger technology or other digital solutions.	ES (Drafting suggestions): 2. EU Inc. shall not issue bearer shares. PT (Comments): This paragraph provides that the use of DLT for the issuance, registration and transfer of shareholdings is merely optional, leaving the decision on its

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	adoption to the articles of association, without establishing criteria for interoperability, auditability, or mutual recognition among Member States. This is particularly relevant in the event of disputes in other Member States, as an EU Inc. is not afforded any guarantee that such records will be legally (and evidentially) recognised by the authorities of other Member States. We therefore consider it useful to establish minimum criteria for interoperability and recognition of records maintained through DLT mechanisms, as well as to include a mutual recognition clause among Member States confirming the evidential value of such records.
3. The EU Inc. company shall not have bearer shares.	
Article 54 ***Digital register of shares***	AT (Comments): **AML-related issues:** The share register is maintained digitally by an EU Inc. itself in accordance with Art. 54, while transfers are done online using electronic signatures and become effective upon registration. Whether this transfer ensures sufficient identification of the shareholders remains to be examined. In any case, storing the shareholder data in the national commercial registers or the future central digital register at EU level in accordance with Art. 34 would be preferable in order to ensure rapid and centralized access by authorities and obliged entities and also to enable automated data transmission. BG (Comments): According to the national law and in particular, the Public Offering of Securities of Bulgaria Act, the issuance and disposal of dematerialized

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	financial instruments has effect from their registration in the central register of securities kept by the Central Depository, which also keeps the books of the holders of dematerialized securities. Book-entry financial instruments in the central securities register shall be regarded as financial instruments of their holders vis-à-vis all other third parties. In view of the fact that EU legislation, including financial market regulation, is not harmonised at EU level on issues relating to the issue of securities and the certification of title to them, we believe that the national regime should prevail. Should the proposal be maintained, the Regulation should provide for conditions allowing flexibility for Member States to maintain the existing framework at national level, especially in the context of their potential admission to trading. EE (Comments): Estonia recognises the advantages of digital register; however, their constitutive effect may reduce transactional flexibility. In particular, conditional transactions (where the validity or effects depend on the occurrence or non-occurrence of a future event) and security rights may not be adequately reflected or may become technically impractical. Consequently, it is important to ensure that the Regulation provides sufficiently flexible solutions to accommodate such arrangements. In addition, this raises a question under the EU Treaty concerning the impact on the regime of property rights, in particular in relation to Article 345 TFEU, which provides that the rules governing property ownership fall within the competence of the Member States. Where the Regulation does not provide for a clear and robust framework (including the treatment of security rights and conditional transactions, as well as transparency and access regimes), Estonia supports leaving these matters to

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	national law in order to ensure legal certainty and the proper functioning of transactions. LT (Comments): The following comment is submitted in relation to Articles 54 and 59 of the Proposal, concerning the digital register of shares and the digital procedure for the transfer of shares. LT notes that under this model the digital register of shares is maintained by the EU Inc. itself, and there is no public register of shareholders equivalent to the information system for legal persons' participants (JADIS) maintained under Lithuanian law. Under Lithuanian law, shareholders of private limited liability companies are registered in a dedicated state information system for legal persons' participants (JADIS), which is distinct from the beneficial ownership register (JANGIS) maintained for anti-money laundering purposes. The Proposal provides for the transfer of company information from the business register to the beneficial ownership register at the time of registration. However, it does not establish a public register of shareholders, nor does it provide for any automatic update of the beneficial ownership register following subsequent transfers of shares recorded in the digital register of shares. Access to the digital register of shares is limited under Article 54(2) to shareholders and persons with a legitimate interest. It is not clear how competent authorities responsible for AML supervision, tax authorities or law enforcement would access the register in practice. The absence of a public register of shareholders would require competent authorities to take active steps to obtain shareholder information on a case-by-case basis and would prevent the use of automated screening and risk assessment tools where shareholder data is held in a public register. LT also notes that Article 59(5), by prohibiting Member States from requiring a notarial deed (under Lithuanian law, notarial form is required for transfers of

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	shares in private limited liability companies above certain thresholds), removes an important preventive control mechanism without providing an equivalent safeguard. The notary performs a function that goes beyond identity verification, while a qualified electronic signature or seal, as provided for in Article 59(3), confirms the identity of the parties but does not perform this legal assessment. LT supports the development of a modern and efficient corporate legal form and welcomes the digital by default approach of the Proposal. However, the growth in the number of EU Inc. companies should be accompanied by adequate oversight mechanisms. A situation where law enforcement authorities would face significant difficulties in identifying the shareholders, directors or registered office of EU Inc. companies would be detrimental not only to the interests of creditors and other stakeholders, but also to the internal market and the broader economy. LT invites to consider additional safeguards to address the concerns raised above.
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:	AT (Comments): • The Regulation places the creation, maintenance and verification of the digital share register entirely in the hands of the company. This raises concerns regarding the lack of independent oversight, particularly given the constitutive effect of registration. It should be clarified whether Member States may require additional safeguards or external verification mechanisms to mitigate structural risks of **misuse or manipulation**, identity fraud or technical errors. • Moreover, if the register is maintained solely by the company, the company itself would have to determine whether the **legal title presented for registration** is valid and sufficient to effect a transfer of ownership. This effectively shifts responsibility for assessing the legal validity of share

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	transfers to the company (i.e. the board of directors), exposing it to **liability risks**. It appears doubtful whether companies and directors are willing or able to assume such responsibilities, which further suggests that **additional independent verification mechanisms** may be necessary. HU (Comments): For shares intended to be traded on a regulated market or MTF, the framework must clarify its relationship with existing EU acquis (i.e. the Prospectus Regulation, MiFID II, and DORA), specifically regarding data integrity and system resilience. LV (Comments): It is not unequivocally clear whether this excludes the possibility for Member States to require such a register to be submitted to the registration authority. Latvia considers it essential to preserve the possibility to require the submission of the register of shareholders to the national business register, since the absence of such a requirement may affect the effectiveness of supervision and the transparency of companies. PL (Comments): It remains inconsistent with Article 2(21), which provides for the possibility of entrusting the maintenance of the register to a third party. This discrepancy raises interpretive doubts and requires unambiguous clarification. SE (Comments):

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	Recital 38 states that it should be possible for the EU Inc. company to delegate the establishing and updating of its digital register of shares to a third party. We have a question concerning how this delegation to a third party is meant to be done and who might come into consideration for such an assignment. SK (Comments): Articles 53 and 54. It is essential that entries in the share register cannot be altered retroactively. We therefore propose that the Commission develop open-source software for maintaining an electronic share register. Companies would welcome such a solution, and its use would represent a standard and a guarantee of transparent corporate practices. Another comment concerns the link between Articles 53 and 54 and Article 60 on access of EU Inc. to capital markets. While we welcome this possibility, we insist that once an EU Inc. enters capital markets, Articles 53 and 54 on the digital share register should no longer apply. Companies operating on capital markets must have their shares registered with an institutional intermediary, which in the Slovak Republic is the central securities depository. The Commission stated during the last meeting of the Working Party that Articles 53 and 54 will not apply alongside Article 60 once the EU Inc. is listed. However, this should be clearly reflected in the text to avoid any ambiguity.
(a) the identity and address of all the shareholders;	ES (Drafting suggestions):

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	1. Upon the registration of each company, the relevant business register shall create a digital register of its shares, the integrity and security of which it shall guarantee, and which shall contain, as a minimum, the following information: (a) the identity and email address of all shareholders; **tax residence, and tax identification number or, in its absence, any functional equivalent used for tax purposes** (b) the identifier assigned to each share; (c) if the shares have a nominal value, their nominal value; (d) the date of subscription of each share; (e) where applicable, whether the share is convertible; (f) the amount of any cash consideration, if any, paid or payable by the relevant shareholder. This shall include, separately, any amount paid by way of a share premium or similar; (g) the value and nature of any consideration in kind, if any, contributed or to be contributed by the relevant shareholder; (h) the identification of such contributions and their value, as well as a report by experts or the directors, where required by national law (i) the date of acquisition of the transferred shares; (j) the serial number assigned to each transfer of shares, as well as the identifier for each transaction; (k) where there are several classes of shares, the class of each share; (l) where a share is owned by more than one shareholder, the identity and address of a common representative; (m) where applicable, information on encumbrances, charges or restrictions on the shares and the name of their beneficiaries. The existence of restrictions and compliance with the provisions of the articles of association ES (Comments):

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	Accurate identification of shareholders, including their tax residence and tax identification number, is essential to ensure compliance with tax obligations arising from share ownership. Alignment with international anti-money laundering standards and the systems that several Member States have in place. The amendments would align the Commission's proposal with the systems for the transmission and registration of shares that already exist in many Member States, and would make it compliant with the recommendations issued by the EU itself on the fight against money laundering, tax evasion and corruption, as well as those of international organisations such as the FATF (Recommendation 24) or the OECD. Furthermore, the obligation imposed on the business register to communicate information to the beneficial ownership register is contradictory within the proposal itself and impossible to comply with, given that a completely private register of shareholders deprives it of an information that can be considered reliable and trustworthy. Without these changes the obligations imposed on the business registers in this regard in Recital 25 and Article 20 would remain a dead letter.
(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;	

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(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.	
	CZ (Drafting suggestions): **The EU Inc. may entrust the creation and maintenance of the digital register of shares to a third party. Such a decision shall have no effect on the liability of the EU Inc. or its directors for a failure to fulfil its duties in accordance to this Chapter or national law.**

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	CZ (Comments): Clarification is needed that EU Inc. is not required to develop and operate the system or the shareholder register itself. However, this should not affect the company's responsibility for maintaining the register.
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.	AT (Comments): • The fact that the digital share register is not publicly accessible reduces **transparency** for creditors, authorities and other stakeholders. Clarification is needed on how timely and reliable access to ownership information will be ensured, in particular for competent authorities. Moreover, where the register is maintained by the company itself, **group structures** and indirect ownership chains are difficult to trace, unless such information can be derived from other sources. This raises concerns as to whether the proposed system can provide authorities with sufficiently complete and up-to-date information on share ownership and beneficial ownership. • It should be clarified what constitutes a "***legitimate interest***" in a specific case, ideally with further explanation and examples in a recital. As the list of information contained in para. 1 is not exhaustive ("at least"), it should be ensured that, from a **data-protection perspective**, no further information or personal data contained in the register is disclosed to third parties if such information is not necessary for them. EE (Drafting suggestions):

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	2. The digital register of shares shall be accessible to any shareholder and to any other interested party, **subject to conditions laid down in national law** and in accordance with Regulation (EU) 2016/679. EE (Comments): Access to the digital register of shares should be more flexible than access based solely on the existence of a legitimate interest. and may give rise to risks of abuse. Access limited strictly to situations based on legitimate interest is not sufficient to achieve the objectives of the proposal. Broader and more clearly regulated access would promote transparency, reduce administrative burden and enhance the reliability of the register. Otherwise, the digital register of shares of an EU Inc., as set out in the proposal, would not be consistent with Member States' competence under the Treaties to regulate property rights and may give rise to risks of abuse. ES (Drafting suggestions): 2.Information on shares shall be made available to any shareholder and any other interested party with a legitimate interest, in accordance with Regulation 2016/679. LU (Comments): LU would like the Commission to clarify who "*any other interested party with a legitimate interest*" covers. The register is a private document to which access should be restricted to shareholders. If, however, it were decided to allow access to "*any other interested party with a legitimate interest*", it would be necessary to set out certain scenarios – or at least provide examples – to avoid interpretative issues. LV

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	(Comments): The wording "accessible to any shareholder and any other interested party with a legitimate interest" may give rise to questions of interpretation concerning the scope and manner of access. In particular, it should be clarified whether access is intended to be provided online without identification or subject to authentication, and how the existence of a legitimate interest is to be determined and assessed. SK (Drafting suggestions): 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. Companies shall not charge disproportionate fees for access to information. The register shall be accessible free of charge or, at most, against reimbursement of administrative costs. SK (Comments): As regards access of third parties to the share register, it is necessary to ensure that companies do not charge disproportionate fees for access. The register should be accessible free of charge or at most for the reimbursement of administrative costs. This should be stated explicitly in the regulation. Also, we are also not convinced by the proposed shift in approach, whereby it is left to the company itself to assess who qualifies as an interested party with a legitimate interest, in accordance with Regulation (EU) 2016/679. This may give rise to potential abuse by companies, in particular in the context of anti-money laundering (AML) requirements. There should be a clear and strong link to directors' liability in cases of unlawful disclosure or unlawful refusal of access to the shareholders' register. Directors should be held liable where access is improperly granted or refused in breach of applicable law. In addition, consideration should be given to introducing

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	further safeguards such as presumption in favour of access, mandatory disclosure triggers (such as in AML or beneficial ownership suspicion, litigation context), indepent verification mechanism simmilar to Art. 56 or public authority with overriding power).
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.	AT (Comments): The reliability of digital share certificates depends on the **accuracy of the underlying register**. It should be clarified how **discrepancies** between the certificate and the register are resolved, and what legal position the **materially entitled party** holds in case of incorrect entries. ES (Drafting suggestions): 3. At the request of a shareholder and following each transfer of shares, EU Inc. must provide the new shareholder without undue delay with a digital share certificate issued by the business register, in tokenised form, if so requested. LU (Drafting suggestions): 3. At the request of a shareholder and after each transfer of shares, the EU Inc. company shall deliver, without undue delay **following the completion of the control set out article 59 (7)**, 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. LU (Comments):

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	The certificate should only be delivered once the control on the transfer set out in article 59 (7) is completed.
4. The digital share certificate shall contain the following elements:	ES (Drafting suggestions): 4. The digital share certificate must contain the following elements: (a) An extract from the Digital Register of shares relating to all the information specified in paragraph 1 concerning the shareholding of the member requesting the certificate, (b) the key legal information relating to EU Inc., including at least its registered office, its EUID and the total number of its shares, (c) a digital time stamp indicating a specific date of entry in the register, (d) a statement regarding any encumbrance, charge or restriction registered against the shares. (e) Member States shall not impose additional requirements regarding the minimum content or form of the digital share certificate.
(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,	

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(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*].	DK (Comments): Same comment as for article 38 paragraph 2. It remains unclear who is recognised as a director and the relationship with national rules on employee representation and signatory rights. EE (Drafting suggestions): 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*].~~ ES (Drafting suggestions): 5. The digital share certificate shall be dated using a qualified electronic time stamp, and sealed using a qualified electronic seal or signed using a qualified electronic signature, by the business register or by the registrar, in

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	accordance with Regulation (EU) No 910/2014, and shall be compatible with the European Digital Wallet and with the business wallets referred to in [OP: Insert reference to the 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*].	DK (Comments): The text mentions the EUDI Wallet but references the EBW proposal. Should it not mention both the EUDI Wallet and EBW? EE (Drafting suggestions): ~~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.	

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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.	MT (Comments): Seeking clarification of why is there this restriction? "*Shares carrying the same rights and obligations shall constitute one class*." Since one can have legitimate scenarios whereby shares carrying the same rights can be constituted in different classes. Using different share classes with identical rights allows for targeted governance and financial flexibility. Specifically, it enables the board to declare selective dividends (e.g., in case of employees shares, rewarding one shareholder for performance without being legally required to pay others equally) and guarantees board representation by allowing each class to independently appoint its own director, ensuring individual founders maintain control even if other shareholders act in concert.
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***	FI (Comments): FI: We opine that provisions on ex ante safeguards of minority shareholder are rather sporadic in the Regulation. We note that there is no general principle of equal treatment of shares/shareholders in the proposal, which should be added.

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	In addition, the rights enumerated in the proposal seem to be rather limited. We note that they do not include, for example, the right to demand an extraordinary general meeting, the right to have the matter dealt with by the general meeting, or the right to push a matter to be discussed properly at a later shareholder meeting. Such right would considerably improve the rights of minority shareholders, and such rights would render the EU Inc. more enticing for investors. It could be considered that such rights are bound to a certain threshold, on the basis of share ownership, e.g. 1/10 of shares (or share capital, where relevant).
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.	LU (Comments): The ownership of shares and the exercise of the rights attached thereto should not depend on registration of the holder in the register. As currently drafted, the mechanism raises significant practical difficulties. Indeed, the notification of the transfer must be examined by the EU Inc., which has three working days to accept or refuse registration. This uncertainty regarding the date of registration makes it difficult to determine when the transfer becomes effective between the parties. For both the transferor and the transferee, it is essential to have clarity on this date, particularly with regard to payment of the purchase price. In practice, the register is generally updated after the purchase price is received by the transferor. It is unlikely that the transferee would agree to pay before being certain of acquiring title, just as it is unrealistic to expect the transferor to approve the update of the register without having received payment. Although Article 106(1)(c) requires Member States to introduce sanctions for failure to update the register, this does not resolve the practical difficulties faced by shareholders in such situations. SK

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	(Comments): With regard to Article 56, the Slovak Republic notes that Slovak law does not currently provide for the appointment of an expert by a court in this context. While such a mechanism could serve as an effective tool for minority shareholder protection and oversight, it would necessarily involve court proceedings, which may entail additional time and financial costs. Several questions arise in relation to the application of this provision. In particular, it **is unclear who has the final authority in determining the outcome of the investigation within the company — whether it is the court or the appointed expert**. It is also unclear how potential disputes between the parties and the expert's findings would be resolved, and whether the company would have the possibility to submit its own expert report for consideration. Furthermore, clarification would be useful as to the legal effects of a negative investigation report. It is assumed that such a report could facilitate the application of Article 44(2), (3) and (4) on directors' liability. At the same time, consideration could be given to whether additional consequences should follow, such as an obligation for shareholders to return unlawfully distributed profits. While Article 72 appears to address this issue, it does so only in a limited manner and subject to proof of the shareholder's knowledge.
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.	FI (Drafting suggestions): **ADD: Para 2a:** The general meeting, the board of directors or any other body of the company shall not make decisions or take other measures that are conducive to conferring an undue benefit to a shareholder or another person at the expense of the company or another shareholder. LU (Comments):

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	The article provides no sanction in case no representative is designated, which may create practical difficulties. It is proposed to specify that non-financial rights attached to the shares are suspended until a representative is appointed.
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.	AT (Comments): • It should be clarified what constitutes "***sufficient information***" and within which **time limits** such information must be provided. Clear minimum standards are necessary to ensure that shareholders can meaningfully exercise their rights at the general meeting. • In this context, clarification is requested as to whether, and to what extent, national company law applies subsidiarily to information and inspection rights. LT (Comments): The Proposal does not establish a minimum time limit within which such information must be made available. The absence of a defined minimum notice period may prevent shareholders, in particular minority shareholders, from adequately preparing for the general meeting and effectively exercising their rights. It is therefore suggested that Article 56(3) be amended to establish a minimum time limit before the general meeting within which shareholders must be provided with sufficient information regarding the items on the agenda, thereby ensuring that the provision has practical effect and is not merely a formal requirement. LU (Comments):

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	The article should specify that the right of shareholders to obtain information prior to the general meeting is an obligation incumbent upon the members of the board. LV (Comments): We consider that the wording “prior to that meeting” is not sufficiently precise. Since Member States apply different time limits for informing shareholders, the absence of a clearly defined minimum period creates a risk that information may be provided too late, thereby limiting shareholders’ ability to prepare effectively and exercise their rights. This may also give rise to disputes as to whether the information was provided in due time. Therefore we invite the introduction of a specific minimum period or at least a reference to an objectively determinable criterion. PT (Comments): The requirement for the company to provide shareholders with information on the agenda of the General Meeting “prior to the meeting” is a vague concept; therefore, the minimum notice period for making the preparatory information available should be specified either in the law or in the articles of association.
	DK (Drafting suggestions): 3(a); Any shareholder has the right to have a specific item included on the agenda for the general meeting DK (Comments): DK finds that the provision in the proposal should include a shareholder’s right to have items placed on the agenda for the general meeting.

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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.	AT (Comments): The exception allowing the board to withhold information whenever disclosure is "*deemed to cause material damage*" is vague and **risks undermining effective shareholder oversight**. Clearer minimum standards are needed to ensure that shareholders can meaningfully exercise their information rights and that the exception cannot be used too broadly. ES (Comments): Perhaps it should be considered to establish that those who owned a certain majority of shares, for example, 25% could not be denied the information. LU (Comments): The article should set out, or allow for the possibility of setting out in the articles of association, the time limits within which such rights must be exercised. The concept of 'material damage' should be replaced by the 'corporate interest' of the company.
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.	MT (Drafting suggestions): 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. MT (Comments): Restricting the right to inspect financial records to only a select group of shareholders is considered discriminatory because it creates an information

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	asymmetry that undermines the principle of equal treatment. By denying certain shareholders access to the company's books, they are effectively prevented from monitoring their investment, assessing the board's performance, or identifying potential mismanagement, while the privileged group gains an unfair advantage in decision-making and valuation. This imbalance not only devalues the minority's stake by making their shares harder to sell to informed buyers but also facilitates oppression, as "insider" shareholders can hide self-dealing or the diversion of company assets from those kept in the dark.
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.	LU (Drafting suggestions): 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 **this Regulation, the** 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. PT (Comments): The provisions in paragraphs 6 to 8 concerning the appointment of an expert to investigate suspected breaches of the law or the articles of association may merit further reflection. While such a mechanism can provide additional safeguards, it may also involve significant costs and potentially add complexity and delays to the process of addressing alleged breaches. It could therefore be useful to consider whether the proposed framework strikes the appropriate balance between shareholder protection and the efficient functioning of the company.

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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.	SK (Drafting suggestions): 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. The competent court or administrative authority shall remain the final decision-making authority with respect to the findings of the expert and any consequences arising therefrom.
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.	AT (Comments): Clarification is required regarding the interaction between this provision and domestic procedural law, which governs the allocation of costs in proceedings. LU (Drafting suggestions): 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 **this Regulation, the** law or of the articles of association.

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Article 57 ***Voting rights***	
1. One share shall always carry one vote unless otherwise provided in the articles of association.	HR (Comments): HR One practical issue that should be addressed in Articles of association is how in case of an EU Inc. with non-par value shares, voting rights are going to be exercised, does the Article 57. par.1. of the proposal applies: "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.	LU (Comments): To protect the rights of minority shareholders, non-voting shares should be subject to specific rules such as: - non-voting shares may be issued only if the right to a dividend in the event of distribution of profits, the right to reimbursement of the contribution and, as the case may be, the right to distribution of liquidation proceeds are determined by the articles. - The general meeting shall determine the maximum amount of such shares to be issued.

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	- In case of conversion of ordinary shares into non-voting shares, the general meeting should set the maximum number of shares to be converted and the conversion conditions; all shareholders should be able to participate in the conversion in proportion of their shareholding. - Non-voting shares should be entitled to vote where the deliberation of the general meeting would result in an amendment of the rights attached to the non-voting shares, in case of reduction of capital or dissolution of the company.
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.	FR (Drafting suggestions): 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. **Non-voting shareholder shall receive the same information as voting shareholders and be able to take part to the meeting.** FR (Comments): Care should be taken to ensure, in this context, that shareholder participation in collective decisions is effective (in particular, that shareholders are properly informed, even when they do not vote), as this is a fundamental element of the corporate balance
Article 58 ***Transfer of shares***	

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1. Shares in the EU Inc. shall be freely transferable unless otherwise provided by the articles of association.	FR (Drafting suggestions): 1. Shares in the EU Inc. shall be freely transferable unless otherwise provided by the articles of association. **The articles of association may provide that a transfer of shares is void when it contravenes to the articles of association** FR (Comments): It is important to make sure that the will of shareholders is respected regarding the transfer of shares: the transfer must be void if not compliant LT (Comments): LT notes that under this provision existing shareholders have no pre-emptive right to acquire shares being transferred by another shareholder. The default position is therefore one of free transferability, with any restrictions left entirely to the articles of association. LT does not object to shareholders being free to agree on the transferability of shares in the articles of association. However, in Lithuania's view, existing shareholders should benefit from a pre-emptive right to acquire shares being transferred as the default rule, with the possibility for the articles of association to provide that such right does not apply. The current Proposal takes the opposite approach. Reversing the default would preserve the flexibility of the EU Inc. legal form while providing greater protection for existing shareholders. LU (Drafting suggestions):

Commission proposal	Drafting suggestions and Comments
	1. Shares in the EU Inc. shall be freely transferable unless otherwise provided by the articles of association. **Any transfer in breach of the provisions of the articles shall be void.**
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***	EE (Comments): Estonia considers that a more flexible system should be provided for with regard to the notarial form requirement. The notarial form of transactions is not merely a formality; it serves to advise the parties and inform them of the legal consequences. Estonia proposes the introduction of a system similar to that under Estonian law, whereby companies with a certain level of capital contribution (in Estonia, fully paid-in capital of EUR 10 000) may, in their articles of association, waive the requirement of notarial form for the transfer of shares. Such a system would preserve the flexibility sought by the proposal while ensuring that the risks associated with the absence of a formal requirement are borne by companies with greater economic capacity. LT (Comments): See Lithuania's general comment on Articles 54 and 59 concerning the digital register of shares and the 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.	LV (Comments):

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	Latvia considers that the Regulation should provide safeguards for situations where the registration of a share transfer in the digital register of shares is unjustifiably refused, particularly given that the digital register of shares is maintained by the company itself. MT (Drafting suggestions): 1. The transfer of shares and the registration of a transfer of shares in the digital register of shares may be concluded fully online **and it shall remain subject to the national laws of each Member State.** MT (Comments): Maintaining procedural autonomy ensures that Member States can effectively enforce tax compliance obligations according to their unique domestic requirements. PT (Comments): Any changes affecting the share structure and the ownership of shares should be notified to the Commercial Registry.
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.	HR (Comments): HR In Croatia such transfer agreements are made in a form of notarial document. That is prescribed by law and it is shown in the last 30 years that this is a good solution that enhances legal certainty. Notars in Croatia can take part in on line creation of electronic documents, so it would not be a problem if We keep such legislative solution. SI

Commission proposal	Drafting suggestions and Comments
	(Comments): The integrity of the business environment, including the protection of creditors such as workers, is a high priority. It should be clarified whether the transfer of shares must first be subject to amendments to the articles of association with possibility using automated contracts and whether the provision allows share transfers to be subject to preventive control, including identity verification through means such as audio-video conferencing. SK (Drafting suggestions): 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. Parties may execute the transfer of shares in the form of a notarial deed, which shall entail a reduced level of scrutiny by the company in relation to the legality of the transfer. SK (Comments): The text should clarify that the parties **may** execute the transfer in the form of a notarial deed. It should further be explained that the use of such form entails reduced level of scrutiny in relation to the legality check carried out by the company.
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*].	HR (Comments): HR qualified signature definitely is a good solution, but for qualified electronic seal can be used only when legal persons will take part in such agreements. Maybe this should be stated here. LU

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	(Drafting suggestions): 3. The transfer of shares **can be validly documented ~~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*]. LU (Comments): The wording of this provision appears to confuse the validity of the transfer of shares —which must take place in accordance with the Regulation and national law—with the validity of the electronic signature affixed to the contract documenting the transfer in accordance with Regulation (EU) No 910/2014. Furthermore, the effectiveness of the transfer should depend on the terms of the contract rather than on its entry in the register. PT (Comments): We envisage that harmonising the rules on rectification of the digital share register and on share ownership disputes is crucial, namely: (i) the procedure for rectifying incorrect entries in the digital share register, including who may request rectification, on what grounds and which authority is competent; (ii) a uniform priority rule for conflicts of ownership, including double transfers and unauthorised registrations, thereby avoiding divergent national solutions..]

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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.	HR (Comments): HR Qualified electronic signature should be a requirement. LT (Drafting suggestions): Where a party is unable to provide a qualified electronic seal or a qualified electronic signature referred to in sub-paragraph ~~1~~ **3**, 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. LT (Comments): The requirements concerning qualified electronic seal and qualified electronic signature are set out in Article 59(3) LU (Drafting suggestions): 4. Where a party is unable to provide a qualified electronic seal or a qualified electronic signature referred to in ~~sub-~~paragraph ~~1~~ **3**, the ~~transfer~~ **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. LU (Comments):

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	Consistent with our comment in paragraph 3 and drafting of article 67 paragraph 6
5. Member States shall not impose any additional formalities, including a requirement for a notarial deed, for the transfer to be legally valid.	EE (Drafting suggestions): 5. **The transfer of shares shall be carried out in notarial form in order to be legally valid. Companies with a fully paid-in capital above a specified threshold may, in their articles of association, waive the requirement of notarial form for the transfer of shares.** Member States shall not impose any additional formalities, ~~including a requirement for a notarial deed,~~ for the transfer to be legally valid. HR (Comments): HR In Croatia such transfer agreements are made in a form of notarial document. That is prescribed by law and it is shown in the last 30 years that this is a good solution that enhances legal certainty. Notars in Croatia can take part in on line creation of electronic documents, so it would not be a problem if We keep such legislative solution. LT (Comments): See Lithuania's general comment on Articles 54 and 59 concerning the digital register of shares and the digital procedure for the transfer of shares.
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	CZ (Comments): The provision does not sufficiently protect shareholders' rights and fails to address fundamental issues related to possible failures on the side of EU Inc.

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digital means and submit the signed agreement along with the information specified in Article 54(1).	If the company delays registration for any reason, the shareholder will not be able to exercise their rights (e.g. participation in the general meeting, voting). HU (Drafting suggestions): The transfer of shares shall only become effective **in respect of the company** 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). HU (Comments): This amendment clarifies that while a share transfer agreement may be effective between the seller and the buyer upon signing, it only triggers obligations for the company once it is registered. LU (Comments): The transfer should take effect in accordance with the terms of the contract, rather than upon entry in the register. Entry in the register may not take place immediately following notification, as paragraph 8 gives the company 3 working days to do so or reject the request. SK (Comments): The effectiveness of the transfer of shares upon its recording in the digital register of shares by the company itself is an interesting idea; however, it raises several questions regarding legal certainty and potential conflicts of interest between the company and the parties to the transfer.

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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.	CZ (Drafting suggestions): 7. Upon receipt of a complete notification of a share transfer, the EU Inc. company shall review the documentation to verify **the validity of** the legal title of the transferor to transfer the share and compliance with the company's articles of association. CZ (Comments): The wording "to verify the legal title" appears overly broad and unclear. Clarification is needed as to what exactly the company is required to verify. LT (Comments): LT raises concerns as to whether the EU Inc. company itself is competent to carry out such an assessment. Furthermore, the Proposal does not address the consequences of an incorrect verification or the liability of members of the board of directors for a wrongful registration in the digital register of shares. LT considers that further clarity is needed on this point.
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.	ES (Comments): In order to avoid arbitrary refusals to register a transfer, the grounds on which such registration may be refused should be specified by way of example. LU (Comments): The article should specify who has the power to execute the entry into the register.

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	PT (Comments): This paragraph should harmonise the rules governing the rectification of digital share registers and disputes concerning ownership.
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.	LU (Comments): LU suggests deleting or merging this paragraph with article 54 paragraph 3. PT (Comments): Article 59 addresses the registration of share transfers but is silent on two consequential matters that should not be left to divergent national rules. First, the Regulation should establish a harmonised procedure for the rectification of incorrect entries in the digital share register, specifying who may request rectification, on what grounds, and which authority has competence to order it. Second, the Regulation should provide a uniform rule for resolving competing ownership claims over the same shares, whether arising from double transfer, unauthorised registration or other cause, including the criteria for determining priority and the status of the register pending resolution. It may be worth considering whether Article 59 could be complemented by additional provisions on the rectification of entries in the digital share register and the resolution of ownership disputes..
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	CZ (Comments):

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to record a validly executed transfer shall be carried out in accordance with national law.	We request that mechanisms for dispute resolution and correction of errors in the shareholder register be established at the level of the Regulation. Leaving these matters to national law will lead not only to fragmentation but also potentially to a significant risk of abuse and fraud. In many Member States, including CZ, there is currently no model where a shareholder register with constitutive effect is maintained by the company itself. It will therefore be necessary to create such rules, which is almost impossible within the proposed one-year implementation period. Such rules are also likely to differ significantly across Member States, which would negatively affect the position of investors as shareholders. The design of the shareholder register and related dispute resolution mechanisms should be subject to a detailed discussion among Member States, with the aim of establishing robust and harmonised basic rules. LT (Comments): Under Lithuanian law, there is no specific procedure for the rectification of share register data. LT considers that, in the absence of specific national procedures adapted to the digital register of shares, the reference to national law may leave shareholders without an effective and timely remedy in cases of fraud or technical errors in registration.
Article 60 **Access to public markets for shares**	BG (Comments): Bulgaria does not object in principle to the proposal to allow shares of EU Inc. to be admitted to trading on a multilateral trading facility and/or a regulated market only on condition that the applicable requirements in the field of public offering of securities and trading in financial instruments under European and national legislation aimed at ensuring protection of investors' rights are met. In this regard, we draw attention to the fact that

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	Bulgaria provides for the possibility of admission to trading of shares of public limited liability companies and this national regime should be maintained precisely in view of the sectoral specificities in the field of securities trading. CZ (Comments): At least at recital level, it should be clarified that EU Inc. companies whose shares are admitted to trading on an MTF or a regulated market are subject to all applicable requirements of Union and national law, even where these requirements may diverge from the provisions of this Regulation. DK (Comments): The concept of EU Inc. is intended to facilitate start-up and scaling of companies within the Single Market. The EU Inc. framework is therefore expected to accommodate both small start-ups and companies that may, over time, evolve into large-scale companies, including companies listed on regulated or public markets. In this context, a modular approach would be appropriate, where early-stage start-ups are subject to a minimum set of regulatory requirements. As the EU Inc. company grows, additional rules would progressively apply, with further requirements for large companies, including enhanced obligations relating to corporate governance, boards of directors, and executive management. This reflects the approach already taken in the accounting directives, which apply proportionate requirements based on company size categories. In the same way, the EU Inc. framework could be designed to mirror this tiered and proportionate structure, ensuring that regulatory requirements evolve in line with a company's growth from start-up to large or publicly

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	listed entities, thereby supporting scalability while maintaining appropriate safeguards across different stages of development. PT (Comments): Reservations regarding the decision to leave to Member States a matter as significant as allowing or prohibiting the admission of EU Inc. shares to trading on a regulated market (subject to compliance with EU and national law requirements). Indeed, such an option may further undermine the harmonisation sought by the 28th Regime.
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.	ES (Comments): The requirement that "the company complies with the applicable requirements under Union and national laws" for listing is unclear and may lead to widely divergent interpretations. It should be clarified. SE (Drafting suggestions): 1. **An EU Inc. company may seek** ~~Member States shall not prohibit an EU Inc. company from seeking~~ admission to trading of its shares on a **regulated market or on a** multilateral trading facility, **where Member States provide for that possibility in their national legislation, and is to be subject to compliance** with the applicable requirements under Union and national laws. SE (Comments): As a starting point, SE finds it positive that a Member State shall not be able to prohibit an EU Inc. company from seeking admission to trading of its

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	shares on a multilateral trading facility. Furthermore, SE finds it positive that the proposal offers an opportunity for EU Inc. companies to have their shares admitted to trading of on a regulated market, where Member States provides for that possibility in their national legislation. However, the proposal in its current drafting, does not provide sufficient protection for investors. The EU Inc. company is not a company suitable for trading of its shares in a wider circle. Therefore, SE cannot accept that the shares of an EU Inc. company may be traded on a multilateral trading facility, as long as the proposal does not offer satisfactorily protection for its shareholders. It is of importance to preserve and strengthen the investors trust in the European capital markets, and thus encourage more people to invest in shares. That will not be achieved by letting unreliable company forms access the capital markets. The article should be amended in a way that ensures that when an EU Inc. company will seek access to a multilateral trading facility, that company should from that moment on be governed by national rules regarding companies accessing the capital markets. If a Member State has a ban on the distribution of shares for private limited liability companies, concerning their possibility to sell their shares to a wider circle, that national regime should be respected. Thus, it should not be possible to circumvent national capital market legislation by setting up an EU Inc. company. Such an arrangement would risk to damage well-functioning structures in a Member State. An EU Inc. company who wants to access the capital markets should therefore comply with the national regulatory framework surrounding capital markets. Thus, a Member State should have the possibility to impose the same requirements on an EU Inc. company as on a national company wishing to have its shares admitted to a multilateral trading facility or a regulated market. It should therefore be clearly stated in the Regulation that an EU Inc. is required to comply with the company laws and financial market laws, which apply to companies on the capital markets

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	of the registering Member State and that the Regulation does not take precedence over those rules. In this context, we would welcome clarification regarding what, according to the proposal, applies with respect to registration of shares if an EU Inc. company chooses to have its shares admitted to trading (both with respect to trading on a MTF and on a regulated market). Is the intention that shares admitted to trading should be registered in the EU Inc. company's digital register of shares or that national rules applicable to publicly traded shares shall apply? SK (Drafting suggestions): **Access to multilateral trading facilities** 1. Member States shall not prohibit an EU Inc. company from seeking admission to trading of its shares on a multilateral trading facility (MTF), provided that the company complies with the applicable requirements under Union and national law. 2. Where an EU Inc. company seeks admission to trading on an MTF, Article 54 shall not apply. Shares of the EU Inc. admitted to trading on an MTF shall be recorded and held through one or more authorised institutional intermediaries ensuring the integrity and traceability of share ownership. 3. EU Inc. companies admitted to trading on an MTF shall comply with the rules of the relevant trading venue, applicable Union law, including Markets in Financial Instruments Directive II, in particular the provisions governing multilateral trading facilities, as well as the applicable provisions of Market Abuse Regulation, and any relevant national legislation implementing or supplementing Union capital

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	markets rules, including rules on transparency, disclosure, investor protection and market integrity. SK (Comments): The Slovak Republic welcomes the explicit introduction of access for EU Inc. companies to capital markets, as this represents a natural step in a company's lifecycle during its growth phase. At the same time, the provision is very concise and should explicitly specify the modalities for entering capital markets, ideally by reference to existing legislation. Such legislation should take precedence over Articles of Association in its application. It would be appropriate to divide the article into two parts—one addressing multilateral trading facilities (MTFs) and the other regulated markets. These rules should also explicitly provide that Article 54 of the proposal does not apply once the company enters capital markets, and that shares must be recorded with an institutional intermediary.
	SK (Drafting suggestions): **Access to regulated markets** 1. 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 law. 2. Where an EU Inc. company is admitted to trading on a regulated market, Article 54 shall not apply. Shares shall be recorded and held

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	through one or more authorised central securities depositories or institutional intermediaries in accordance with applicable Union law on settlement finality and securities custody. EU Inc. companies admitted to regulated markets shall comply with all applicable requirements under Union law, including Markets in Financial Instruments Directive II, in particular the provisions governing regulated markets, as well as Regulation (EU) No 596/2014 (Market Abuse Regulation), Regulation (EU) 2017/1129 (Prospectus Regulation), and Directive 2004/109/EC (Transparency Directive), together with any relevant national legislation implementing or supplementing Union capital markets rules, including rules on admission to trading, ongoing disclosure, investor protection and market integrity.
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.	AT (Comments): • AT seeks confirmation whether, in the case of EU Inc companies whose shares are admitted to trading on a regulated market, the applicable Union and national **rules governing listed companies** would apply in parallel and, where they constitute lex specialis, take precedence over the Regulation. Also see comment on Art. 46(1). • A clarification is needed as to whether Member States may lay down **additional requirements** for EU Inc. companies seeking admission to trading on a regulated market, and to what extent such requirements are permissible (e.g. capital requirements, provided that these remain compatible with Directive (EU) 2017/1132). PT (Comments):

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	This paragraph raises significant concern, as it makes the access of an EU Inc. to a regulated market subject to the national law of the Member State in which it is registered. This may give rise to a phenomenon of "regulatory shopping", whereby the company's founders may choose the Member State based on the ease of access to capital markets rather than on rational criteria such as operational efficiency and proximity, thereby increasing the fragmentation that this instrument seeks to address. Accordingly, we propose that paragraph 2 be revised in order to ensure full and uniform access for any EU Inc. to regulated markets across all Member States, irrespective of the Member State in which it is incorporated SE (Drafting suggestions): 2. **A Member State may require that** an EU Inc. company **whose shares are offered to the public or admitted to trading on a regulated market or on a multilateral trading facility is to be subject to requirements in Union and national law on public limited liability companies. Those Union or national laws shall take precedence over this regulation.** SE (Comments): The wording presupposes that the Member State has categorised EU Inc. as a private company. However, it shall be noted that even if a Member State has categorised EU Inc. as a public company, the Regulation contains more favourable rules compared to national law on public companies. The rules in the Regulation should not take precedence to other rules regarding public companies, when the company is seeking admission to public markets. SI (Comments):

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	It is unclear whether the Regulation allows companies to access regulated markets without changing their legal form. If access to regulated markets is only possible through a change of legal form, the Regulation would effectively create not one, but two distinct legal forms. This point should be clarified to ensure legal certainty and avoid unintended structural implications.
	CZ (Drafting suggestions): **3. Article 53, 54 a 59 shall not apply to EU Inc. companies, that have their shares represented in book-entry form in accordance with Regulation (EU) 909/2014.** CZ (Comments): The current wording leaves uncertainty as to whether the relevant provisions also apply to companies whose shares are represented in book-entry form, which is mandatory for shares admitted to trading on an MTF or a regulated market. This uncertainty should be fully removed. The Commission has repeatedly clarified that rules on dematerialisation in the context of listing apply to EU Inc., irrespective of the provisions of this Regulation. In that case, it is necessary to clarify how issues such as differing definitions of "shareholder" across Member States and the identification of shareholders in general will be addressed.
CHAPTER VII – FINANCING	CZ (Comments): The chapter on financing is highly complex and crucial for the success of the proposal. National discussions on this chapter are still ongoing. CZ therefore reserves the right to submit additional comments on this chapter. While respecting the Presidency's prerogative to organise the

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	negotiations, CZ notes that a comprehensive discussion among Member States has not yet taken place and considers such discussion essential. ES (Comments): Scrutiny reserve.Pending debate in Council. SK (Comments): The Slovak Republic considers this Chapter to be of key importance and is therefore still examining its provisions in detail. We consider it appropriate to divide the Chapter into two separate subchapters and to clarify which provisions apply to an EU Inc. company that opts to have share capital and shares with nominal value, and which provisions apply to an EU Inc. company that chooses not to have share capital and instead issues shares without nominal value. The Chapter could additionally contain a third section comprising provisions common to both systems. Regarding the use of the term “capital” we would welcome the explanation provided by the Commission – namely that it is to be understood as legal capital or share capital – being reflected in the preamble. Similarly, we would like to see the Commission´s explanation that a company with non-par value shares may have a capital but is not required to do so, and that a company with par value shares must have share capital, reflected in the preamble as well. We would like to echo the concerns expressed by many Member States regarding Article 4 and this Chapter.
Article 61 ***Non-par value of shares***	

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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).	CZ (Comments): We note differences in the underlying concept compared to the CLD which have not been sufficiently explained. HR (Comments): HR One practical issue that should be addressed in Articles of association is how in case of an EU Inc. with non-par value shares, voting rights are going to be exercised, does the Article 57. par.1. of the proposal applies: "one share shall always carry one vote unless otherwise provided in the articles of association"? MT (Drafting suggestions): Proposed new wording for Article 61 as follows: 1. Member States may provide that shares of an EU Inc. formed in their territory have no nominal value (non-par value shares). In the absence of such national provisions, shares shall have a nominal value representing a fractional value of the company's capital (par value shares). 2. Regardless of the share structure adopted, Member States shall ensure equivalent levels of capital transparency, such that: • (a) Where non-par value shares are permitted, the articles of association must state the total number of shares issued and the total value of the subscribed capital; • (b) Where par value shares are used, all shares in the EU Inc. shall have the same nominal value. 3. An EU Inc. shall not have both shares with and without a nominal value. Member States shall ensure that the chosen share structure is compatible with

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	national accounting and filing systems to prevent discrepancies between the EU Inc. and national company forms. 4. Any change to the share structure through an amendment of the articles of association shall be subject to the preventive control referred to in Article 14. The competent national authority shall verify that such amendments do not create legal uncertainty regarding the company's liability or capital maintenance obligations. MT (Comments): This provision should allow Member State flexibility to make non-par value shares optional, alongside the introduction of harmonised safeguards to ensure equivalent levels of capital transparency and protection. SK (Comments): Even if a non par value company decides to have share capital, the Commission stated that it is disconnected from the shares. Could this also be reflected in the preamble? Also –would a Member State still be able to determine whether a minimum amount of such share capital is required. The same question applies to a company with par value shares- since the EU Inc. will be linked to a specific type of national company provision, would it be subject to the minimum capital requirements applicable to the chosen company form under national law?
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.	

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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.	AT (Comments): • From AT's perspective, the complete absence of a **minimum capital requirement** for the EU Inc., combined with the extremely flexible corporate framework and the lack of any mandatory capital-building mechanisms, is highly problematic. In practice, an EU Inc. could operate with virtually no capital at all. While even a minimum capital requirement cannot guarantee reliable creditor protection, it does establish a basic threshold of financial integrity that makes it significantly more difficult to set up corporations for abusive purposes (e.g. money laundering or social security fraud). • From the perspective of protecting consumers, employees and other creditors, a minimum capital requirement is also desirable, as it prevents entrepreneurs from **spreading their financial risk across a large number of very small**, undercapitalised companies. • In AT's view, there are therefore compelling reasons to prescribe a minimum capital requirement for the EU Inc. as well, which could be aligned with the minimum capital levels commonly applied in the Member States. DK

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	(Comments): The proposal allows for the establishment of EU Inc. with no minimum capital requirement nor a requirement to build up capital or legal reserves. This is similar to the Danish entrepreneurial company, which was abolished in 2019. It is important for DK that the absence of a capital requirement does not increase the risk of fraud. Therefore, it is essential that the EU Inc. proposal includes strong creditor protection rules to ensure that genuine value is built up in the company. LV (Comments): Latvia has concerns regarding the solution provided for in Article 62(1). A zero-minimum-capital model increases risks from the perspective of transparency and AML/CFT requirements. In particular, it should be emphasised that, under such a model, the financial sector is not involved at the initial stage of company formation, thereby removing one of the initial control and verification mechanisms. Latvia considers that the absence of minimum capital should be assessed together with the broader design of the EU Inc. framework, including very rapid and fully online formation, flexible financing rules and simplified liquidation and insolvency mechanisms. In Latvia's view, simplification should not come at the expense of transparency, effective supervision and creditor protection. MT (Drafting suggestions): To add the following proviso: **Provided that member States shall retain the right to maintain a nominal minimum capital requirement in line with national limited**

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	liability company standards to ensure financial commitment to mitigate the risk of shell company formation, and to ensure minimum safeguards to company employs workers MT (Comments): Malta is sceptical when it comes to the proposed 0 EUR minimum capital requirement that is intended to lower barriers to entry for startups, noting that zero-capital requirements significantly increase the risk of creating shell companies used for illicit purposes or entities that lack the financial substance to protect creditors. One must consider including minimum safeguards where a company employs workers: solvency declaration, wage-liability insurance, guarantee, reserve, or director liability for unpaid employment claims; Add anti-abuse safeguards and enhanced liability for directors where labour debts remain unpaid; Require disclosure of capital/substance and confirmation of ability to meet wage obligations. Therefore, Malta advocates for a minimum threshold (even if nominal) to ensure a baseline of commitment. Furthermore, Malta suggests that if a 0 EUR capital model is adopted, the regulation must compensate with stricter director liability rules and mandatory disclosure of financial guarantees to ensure creditor protection is not rendered obsolete. SE (Comments): We are open to not have a requirement for a minimum amount of capital for the EU Inc. companies. However, it is important that the regulation is able to ensure adequate protection for the company's creditors and other

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	stakeholders. This appears to be possible to achieve through the balance sheet test and the insolvency test, but we are open for introducing more safeguards.
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.	
	MT (Drafting suggestions): To add a new sub-article 4: **The registering authority shall be entitled to refuse registration or request a statement of business intent where the proposed capital structure, combined with other risk flags, suggests the entity lacks the financial substance to operate as a legitimate commercial concern**.
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.	ES (Comments): This precept is not clear. It seems to be based on a matter of accounting rather than substance. Consequently, it proceeds under the assumption that

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	companies are required to hold assets at least equal to their declared capital, so that a company with 100,000 capital must hold assets of at least 100,000. But securing the capital designated as "capital", and allowing the rest of the capital to be freely distributable subject only to the provisions of Article 72, does not seem to be an appropriate approach. FR (Drafting suggestions): **1. The prohibition set forth in Article 56 (1) of Directive (EU) 2017/1132 of the European Parliament and of the Council applies to the EU Inc.** FR (Comments): With regard to equity, Article 63(1) appears to contradict Article 62, which states that “the company is not required to have a minimum capital”; it is recommended that “capital” be replaced with “equity” in this provision (as in the title of the article). SE (Comments): We have no objection that there is no requirement for the company to build up a specific amount of capital. However, it is important that the regulation ensure that funds cannot be withdrawn from the company to the detriment of its creditors and other stakeholders.
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	ES (Comments): Same comment as above

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otherwise provided in the articles of associations or a decision to issue new shares.	MT (Drafting suggestions): Any consideration or part of a consideration for shares that is not contributed to capital shall be treated as a non-distributable reserve and shall not be subject to free distribution under paragraph 1 unless the company satisfies a solvency-based test. MT (Comments): By permitting amounts not formally allocated to capital to be freely distributable, this provision risks weakening creditor protection and creating uncertainty as to what constitutes safeguarded equity. This also introduces complexity in monitoring compliance and reduces transparency in financial reporting. It is therefore recommended that clearer safeguards be introduced, including harmonised definitions of protected capital and distributable equity, or alignment with stricter capital maintenance or solvency-based tests to ensure equivalent levels of protection across Member States.
	MT (Drafting suggestions): To add the following new sub-article (3): **<u>To prevent complexity in monitoring, any distribution made pursuant to paragraph 2 shall be explicitly disclosed in the business register via the EU central interface. This filing shall include a reference to the solvency assessment to ensure transparency for creditors and regulators and to prevent discrepancies in financial reporting across Member States.</u>**
Article 64 **Consideration for shares**	

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1. Shareholders shall provide the agreed consideration for shares in accordance with the articles of association or the decision to issue new shares.	MT (Drafting suggestions): Shareholders shall provide the agreed consideration for shares in accordance with the articles of association ~~or the decision to issue new shares..~~ **In order to ensure consistency with national company law frameworks, the registering authority shall verify that the consideration represents a genuine transfer of economic value before the shares are recorded in the business register.** MT (Comments): It is recommended that safeguards such as limits on deferred consideration and enhanced disclosure be introduced to ensure legal certainty and consistency across Member States.
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.	LU (Comments): Could COM confirm that, in the case of a contribution in cash, national law applies— for example, contribution in cash must be paid up by deposit into the bank account of EU Inc.—and, in the case of the issue of shares, the bank issues a certificate to that effect? SE (Comments): It should only be possible to make a consideration for shares with money or in the form of assets of lasting value that can be contributed to the equity of the company.

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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.	PT (Comments): There is a relevant distinguishing element in that shares contributed as consideration for share capital must be fully paid up immediately, whereas those not contributed as capital may be paid up over a period of up to five years (Article 64). In this context, it is important to clarify whether—and to what extent—shareholders who are allowed to defer payment of their shares enjoy the same political and economic rights as those who have already paid for the shares they have subscribed
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.	AT (Comments): A clarification is needed as to **who remains liable for any outstanding consideration** in the event that the shares are transferred again before the consideration has been fully provided. LU (Comments): LU notes that the proposed regulation does not provide for a publication requirement in the event of deferred payment of the contribution, which may pose a problem in terms of transparency and creditor protection. LV

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	(Comments): Possibility to defer payment for shares for up to five years raises serious concerns. Such a long period may significantly affect the transparency of the capital structure and may create a misleading impression of the company's financial position. It does not appear to reflect the pace of commercial activity and may increase risks for creditors and other third parties. Latvia therefore invites consideration of a shorter maximum period or additional safeguards.
Article 65 ***Requirements for in-kind considerations***	PT (Comments): It may be worth considering a greater degree of harmonisation of the valuation requirements for contributions in kind, including rules on valuation reports, independent expert assessments and applicable exemptions. A more consistent framework across Member States could help reduce legal uncertainty and ensure an appropriate level of protection for creditors and shareholders, while preserving the flexibility and simplicity that are among the objectives of the EU Inc. regime.
1. Considerations in kind may be contributed to capital, unless they take the form of an undertaking to perform work or supply services.	CZ (Comments): We note an inconsistency in the corresponding recital 48 ("In-kind considerations should also be possible in the form of work and services…"). LU (Comments): Could COM confirm that, in the case of a contribution in kind, national law applies where specific formalities are required, for example in the case of a

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	contribution in kind of immovable property requiring the involvement of a notary? MT (Drafting suggestions): Considerations in kind may be contributed to capital, unless they take the form of an undertaking to perform work or supply services. **Member States shall ensure that such considerations consist of assets capable of being economically evaluated and realized to satisfy creditor claims in the event of insolvency.** MT (Comments): The proposed regime on in-kind consideration introduces a level of flexibility that diverges from the stricter safeguards under the Companies Act. It is recommended that minimum valuation safeguards be retained, especially where in-kind contributions have a material impact on the company's financial position in order to ensure consistency and trust across Member States SE (Comments): Considerations in the form of work and services should not be accepted as payments for shares. In-kind considerations are difficult to assess and there is a high risk of the companies being overrated, which can create a false creditworthiness of companies to the detriment of third parties. SK (Comments): Again, we would like to see the Commission´s explanation that an in-kind contribution to capital cannot be subject to any additional formalities, while formalities aimed at ensuring the effectiveness of the transfer of immovable

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	property (for example a mandatory form of a notarial deed for the transfer of an immovable) may still be required, reflected in the preamble. “
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.	CZ (Comments): Instead of a possibility to waive the experts report, we request the introduction of an exemption from the experts report on the consideration in kind similar to those provided for in Article 50 of Directive (EU) 2017/1132 (CLD).
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.	SK (Comments): The preamble should specify that an “independent” expert means, above all, that there is no conflict of interest between the expert and the company, its founders, shareholders, or the person providing the contribution in kind.
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	CZ (Drafting suggestions): ~~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~~

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contributed to capital. A decision to waive the experts' report shall be filed and made publicly available in the business register.	~~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.~~ CZ (Comments): We do not agree with the possibility to waive the expert report in the case of contributions in kind. Under Article 63, it is possible to distribute contributions that are not part of the capital. In such a scenario, this would allow the distribution of amounts that could be entirely fictitious. Example: In a company with current assets of EUR 1 million (and no other assets) and liabilities of EUR 800 000, shareholders could contribute consideration in kind for which the requirement of an expert report is waived. This consideration in kind could be accounted for at EUR 1 million despite having no significant real value. Subsequently, a distribution of EUR 0.6 million could be made in accordance with Article 63. This would reduce the company's real assets below the value of its liabilities, even though the balance sheet test would not prevent the distribution. If carried out in a sufficiently sophisticated manner, it could take years before the overvaluation of contributions in kind is detected, significantly reducing the chances of creditor satisfaction, including for involuntary creditors such as employees. HR (Comments): HR It is important to get an expert evaluation of in-kind considerations, because often We cannot check who is the owner of the machine or other movable property that is entered into share capital of the company, so the independent expert provides us with proof of ownership.

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	LU (Drafting suggestions): 5. The articles of association or a decision of the general meeting adopted with the same **quorum and** 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. MT (Drafting suggestions): To add the following wording at the end of this paragraph: **Such a waiver shall not be permitted where the in-kind contribution exceeds [*a percentage to be determined*] of the company's total equity or where the contribution is intended to offset a 0 EUR minimum capital. In such cases, a formal valuation remains mandatory to ensure the company's financial position is not misrepresented.**
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.	FR (Drafting suggestions): 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 **and the subscription of shares is void**. FR (Comments):

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	The penalty for overvaluing contributions in kind appears limited to compensation for the company, without an explicit corrective mechanism regarding excess shares issued. MT (Drafting suggestions): 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.**Directors who accepted the overvalued contribution without exercising due diligence shall be personally and jointly liable for the difference, providing a deterrent against the use of "shell" assets to inflate the balance sheet.** SK (Comments): A short explanation in the preamble clarifying that the term “shareholder” also includes a former shareholder would be welcomed.
Article 66 ***Issuance of first shares***	
1. The subscriptions for the first shares shall be declared in the articles of association.	MT (Drafting suggestions): The subscriptions for the first shares shall be declared in the articles of association. **The declaration shall include the verified digital identity of each subscriber and, where applicable, the identification of the ultimate beneficial owner. Member States may require that such identification be confirmed through electronic identification means with a high assurance**

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	level or via additional proportionate verification measures to ensure AML compliance. MT (Comments): It is therefore recommended that Member States retain limited flexibility to impose proportionate verification measures and procedural safeguards to preserve the integrity and reliability of company registers.
2. The first shares shall be registered in the digital register of shares at the time of its creation.	SK (Comments): Some Member states raised the issue of protecting shareholders whose rights may be diluted by decisions of the board of directors or other corporate bodies. While we understand the Commission´s explanation that this matter ultimately lies with the general meeting, which authorises the board of directors or other corporate bodies, we are also reflecting on the possible relevance of a general anti-abuse clause, such as a prohibition on the abusive exercise of rights by minority or majority shareholders, which exists in our national legal system. We would like to further discuss this issue.
Article 67 ***Issuance of new shares***	EE (Comments): Estonia considers that a more flexible system should be provided for with regard to the notarial form requirement. The notarial form of transactions is not merely a formality; it serves to advise the parties and inform them of the legal consequences. Estonia proposes the introduction of a system similar to that under Estonian law, whereby companies with a certain level of capital contribution (in Estonia, fully paid-in capital of EUR 10 000) may, in their articles of association, waive the requirement of notarial form for the transfer

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	of shares. Such a system would preserve the flexibility sought by the proposal while ensuring that the risks associated with the absence of a formal requirement are borne by companies with greater economic capacity.
1. The general meeting shall decide on the issuance of new shares.	LU (Drafting suggestions): 1. The general meeting shall decide on the issuance of new shares **with the same quorum and majority as required for amendments to the articles of association**.
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.	AT (Comments): Clarification is requested regarding how the specific **authorisation granted to the board of directors** interacts with Art. 43(5), which provides that the directors may **delegate** any of their powers. In particular, it should be specified whether the authorisation is delegable or whether it must be exercised by the board itself. FI (Drafting suggestions): 2. The ~~articles of association~~ **general meeting** 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. FI (Comments):

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	FI: Amend the power of delegation to general meeting Delete (or clarify) references to another company body. LU (Drafting suggestions): 2. The articles of association may authorise **for a period of up five years from the date of the resolution referred to in paragraph 1 or the date of its publication**, to 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 **if : (i) such empowerment is expressly stated in the agenda of the meeting and (ii) detailed reasons must be set out in a report prepared by the board of directors or the relevant company body and presented to the meeting, including the proposed issue price. Failure to provide such report shall invalidate the resolution of the general meeting unless all shareholders have waived this requirement.** LU (Comments): Suggestions to improve shareholders' protection. MT (Drafting suggestions): 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. **Member States shall ensure that such board of directors authorisation is subject to the same**

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	standards of director liability as those applicable to national limited liability companies, particularly regarding the fair valuation of new shares. SE (Drafting suggestions): 2. The ~~articles of association~~ **general meeting** 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. SE (Comments): It should not be possible to delegate the issuance of new shares to the board of directors through the articles of association; but that such a right for the board of directors should always be approved by the general meeting. Concerning the issuance of new shares without preferential rights, such a resolution should always be passed by a majority of at least two-thirds of both the votes cast and the shares represented at the meeting.
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	EE (Drafting suggestions):

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to conclude subscriptions for new shares fully online, including requirements for subscribers of shares to apply for a tax identification number in person.	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. **The issuance of new shares shall be carried out in notarial form in order to be legally valid.** **Companies with a fully paid-in capital above a specified threshold may, in their articles of association, waive the requirement of notarial form for the issuance of shares.** MT (Drafting suggestions): Suggested amendment below: Subscriptions for new shares may be concluded fully online **subject to proportionate verification measures to ensure compliance with national AML/CFT standards and to verify the legal capacity of the subscriber. Such measures shall not unnecessarily delay the process but must ensure the same level of legal certainty as physical subscriptions.** MT (Comments): Full reliance on electronic signatures may limit Member State discretion to apply safeguards related to identity verification, AML compliance and legal certainty. Furthermore, scrutiny reservation as internal analysis is still ongoing and not finalised. More time is needed to better evaluate operational considerations here.

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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.	AT (Comments): AT supports that the **highest assurance level** is required for electronic signatures, meaning the use of qualified electronic signatures. However, there appear to be inconsistencies in other provisions of the draft, where reference is made more generally to **electronic signatures** without specifying the required assurance level (e.g. Art. 13(2)). LU (Drafting suggestions): 5. A subscription **can be validly documented** ~~**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. LU (Comments): The wording of this article appears to confuse the validity of the subscription—which must be carried out in accordance with the Regulation and national law—with the validity of the electronic signature affixed to the contract documenting the subscription in accordance with 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	AT (Comments): AT views this approach **critically**. It effectively **weakens the level of assurance** required for the validity of the subscription agreement and introduces a two-tier system that may undermine legal certainty. Also see comment on para. 5.

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through a qualified trust service provider within the meaning of Regulation (EU) No 910/2014.	HR (Comments): HR Qualified electronic signature should be required. LU (Drafting suggestions): 6. Where the subscriber is unable to provide a qualified electronic seal or a qualified electronic signature referred to in ~~**sub-**~~paragraph ~~**1**~~ **5**, 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. PL (Comments): The provision needs to be amended. Real estate may be contributed to a company as a non-monetary contribution, and in such cases, at least in Poland, a notarial deed must be drawn up to transfer ownership of the real estate.
Member States shall not impose any additional formalities, including a requirement for a notarial deed, for the subscription to be legally valid.	MT (Drafting suggestions): To substitute this part with the following wording: ~~Member States shall not impose any additional formalities, including a requirement for a notarial deed, for the subscription to be legally valid.~~

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	Notwithstanding the requirements of this paragraph 6, Member States retain the right to require the involvement of a notary or a competent administrative authority for the issuance of new shares where such involvement is necessary to ensure the legality of the capital increase, the verification of identities, or the protection of existing shareholders' pre-emption rights. PL (Comments): The provision needs to be amended. Real estate may be contributed to a company as a non-monetary contribution, and in such cases, at least in Poland, a notarial deed must be drawn up to transfer ownership of the real estate.
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.	LU (Comments): Article 59 on the digital register of securities imposes an obligation on the company to keep the register up to date, whereas this paragraph refers to the board of directors; it would be appropriate to harmonise the provisions in favour of the board of directors or any other corporate body designated in the articles of association. MT (Drafting suggestions):

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	To add the following wording at the end: **The registering authority shall verify that the new shares and any associated capital increase are compatible with the company's existing structure. Registration shall be refused if the subscription process fails to provide equivalent levels of transparency and creditor protection as required for national company forms.**
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***	BG (Comments): With regard to the taxation of warrants, Bulgaria draws attention to the fact that matters relating to direct taxation fall within the exclusive competence of the Member States and should only be dealt with in the relevant tax formats of the Council, which are competent to discuss them. The proposal for a single taxation in the area of direct taxation, especially in a non-tax dossier, is a matter that should be decided by a full majority. PT (Comments): Instruments such as convertibles, warrants and similar rights to acquire shares play an important role in startup financing and are therefore a valuable element of the proposed framework. In this context, it may be useful to consider a more harmonised approach to their corporate and accounting treatment, including in relation to EU-ESOs and SAFEs. Greater consistency across Member States could help reduce legal

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	uncertainty, facilitate cross-border investment and limit the need for extensive national due diligence, while avoiding divergent classifications of similar instruments.
1. The general meeting shall decide on the issuance of convertible instruments, warrants or other instruments entitling to new shares.	LU (Drafting suggestions): 1. The general meeting shall decide on the issuance of convertible instruments, warrants or other instruments entitling to new shares **with the same quorum and majority as required for amendments to the articles of association.** MT (Drafting suggestions): To add the following wording at the end: **Such decisions shall explicitly state the maximum potential dilution of existing shareholdings and the impact on the company's net asset value per share**. MT (Comments): It is therefore recommended that clearer limits and disclosure requirements be introduced for the exclusion of pre-emption rights and the issuance of convertible instruments to preserve shareholder protection and legal certainty.
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	AT (Comments): See comment on Art. 67(2).

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empower the board of directors or other company body to restrict or exclude pre-emption rights on instruments entitling to new shares.	FI (Drafting suggestions): 2. The ~~articles of association~~ **general meeting** 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. FI (Comments): FI: Amend the power of delegation to general meeting. Delete (or clarify) references to another company body. LU (Drafting suggestions): 2. The articles of association may authorise **for a period of up five years from the date of the resolution referred to in paragraph 1 or the date of its publication,** 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 **if : (i) such empowerment is expressly stated in the agenda of the meeting and (ii) detailed reasons must be set out in a report prepared by the board of directors or the relevant company body and presented to the meeting, including the proposed issue Price. Failure to provide such report shall invalidate the resolution of the general meeting unless all shareholders have waived this requirement**.

Commission proposal	Drafting suggestions and Comments
	MT (Drafting suggestions): To add the following proviso: **Provided that the board shall provide a detailed written report to the shareholders justifying any decision to exclude pre-emption rights, explaining why such an exclusion is in the best interest of the company.** MT (Comments): The broad ability for the board or general meeting to authorise issuances, exclude pre-emption rights, and treat convertible instruments as cash consideration increases the risk of shareholder dilution and reduces certainty around capital structure. SE (Drafting suggestions): 2. The ~~articles of association~~ **general meeting** 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. SE (Comments): It should not be possible to delegate the issuance of instruments entitling the holder to new shares to the board of directors through the articles of association; but that such a right for the board of directors should always be approved by the general meeting. Concerning the issuance of instruments entitling the holder to new shares without preferential rights, such a decision

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	should always be passed by a majority of at least two-thirds of both the votes cast and the shares represented at the meeting.
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.	LU (Drafting suggestions): 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 **in accordance with the authorisation granted in paragraph 2**. 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. MT (Drafting suggestions): To add the following proviso: **Provided that the use of distributable funds to cover the difference between nominal value and issue price shall be restricted to realized**

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	profits, ensuring that the company's non-distributable capital buffer is not depleted to facilitate complex financing instruments.
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.	CZ (Drafting suggestions): 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 **the amount of** their **shares** ~~shareholding~~. Shareholders shall have no pre-emptive rights on new shares issued to satisfy claims arising from instruments entitling to new shares. CZ (Comments): We propose aligning the wording more closely with existing Union legislation to ensure consistency.
2. Shareholders may exercise their pre-emptive right within fourteen (14) days of the offer.	EE (Drafting suggestions): 2. Shareholders may exercise their pre-emptive right within ~~fourteen (14)~~ **twenty-one (21)** days of the offer. EE (Comments):

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	Estonia proposes that the period for exercising the pre-emption right be extended to 21 days. An extended period would ensure that interested shareholders have a genuine opportunity to exercise their right, whereas a shorter period may restrict its effective use. MT (Drafting suggestions): To add the following proviso: **Provided that the use of distributable funds to cover the difference between nominal value and issue price shall be restricted to realized profits, ensuring that the company's non-distributable capital buffer is not depleted to facilitate complex financing instruments.** MT (Comments): It is recommended that clearer safeguards be maintained for transparency relating to the capital structure and protection of minority shareholders.
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.	MT (Drafting suggestions): To add the following proviso: **Provided that proof is shown that such modification or exclusion is in the best interest of the company and fair to existing shareholders.** MT (Comments): While this increases flexibility, it may weaken shareholder control and reduce clarity around the timing and legal effect of capital changes.

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Article 70 ***Capital increase***	AT (Comments): The provisions on capital increases and capital increases from reserves appear to be regulated only in a very rudimentary manner. We therefore assume that **national company law** applies subsidiarily to these procedures. Confirmation of this understanding would be welcome.
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.	LU (Drafting suggestions): 2. The capital shall be considered to have been increased once the increase has been ~~**made publicly available in the business register**~~ **resolved upon in accordance with article 71**. LU (Comments): The effective date of the capital increase should be the date of the general meeting's resolution rather than the date of publication.

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Commission proposal	Drafting suggestions and Comments
Article 71 ***Capital increase from reserves***	AT (Comments): See comment on Art. 70.
1. The general meeting shall decide on a capital increase from reserves.	LU (Drafting suggestions): 1. The general meeting shall decide on a capital increase from reserves **with the same quorum and majority as required for amendments to the articles of association.**
2. The articles of association may authorise the board of directors or another company body to decide on the capital increase from reserves.	AT (Comments): See comment on Art. 67(2). FI (Drafting suggestions): 2. The ~~articles of association~~ **general meeting** may authorise the board of directors ~~or another company body~~ to decide on the capital increase from reserves. FI (Comments): FI: Amend the power of delegation to general meeting. Delete (or clarify) references to another company body. LU (Drafting suggestions):

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	2. The articles of association may authorise the board of directors or another company body to decide on the capital increase from reserves **in accordance with article 67 paragraph 2**.
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.	MT (Drafting suggestions): To add the following wording at the end: **The increase shall only have legal effect against third parties from the date of its publication in the business register.**
Article 72 ***Distributions***	PL (Comments): Concerns have been raised regarding the lack of explicit safeguards for creditors in the event of a capital reduction or distributions to partners or shareholders. The draft does not provide creditors with the right to demand the establishment of appropriate safeguards in situations where the planned transaction could jeopardize the satisfaction of their claims. It is therefore worth considering the introduction of a mechanism enabling creditors to request security for their claims in the event that a threat to the company's ability to fulfill its obligations is substantiated.

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Commission proposal	Drafting suggestions and Comments
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.	AT (Comments): See comment on Art. 67(2). FI (Drafting suggestions): 2. The ~~articles of association~~ **general meeting** may authorise the board of directors ~~or another company body~~ to decide on distributions. FI (Comments): FI: Amend the power of delegation to general meeting. Delete (or clarify) references to another company body.
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,	CZ (Comments): The proposed wording differs significantly from the corresponding provision in the CLD, which raises concerns, including the risk of abuse. We request strengthening the protective mechanisms applicable to distributions in order to prevent a high risk of abuse and fraud. Liability under paragraphs 4 and 5 is not sufficient, as companies may be (and often are) used for fraudulent purposes by individuals without assets, where any recovery is purely illusory. MT (Drafting suggestions):

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	Suggestion to Update par 3. as per below: 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; (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; and **(c) it will not prejudice the payment, settlement or enforcement of wages, salaries, annual leave entitlements, notice payments, compensation, severance, social-security contributions, payroll-related taxes, pending employment-related claims, or any other liabilities arising under Union or national labour law."** MT (Comments): Article 72 should require directors, before distributions or capital reductions, to take into account accrued wages, leave, notice, compensation, social-security liabilities and pending employment-related claims. PL (Comments): The mere departure from the traditional capital protection model—which is in place in many of the EU Member States' legal systems—does not raise any objections; however, it appears that the adopted solution should be appropriately balanced by protective mechanisms, such as: - the obligation to create a minimum protective reserve from profits until the company achieves a specified level of financial stability;

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	- the introduction into the draft of an explicit requirement that a statement regarding the company's ability to meet its obligations following a distribution to shareholders must be prepared based on current financial data, take into account projected cash flows, existing and foreseeable liabilities of the company, and be duly justified. It should also be assessed from the perspective of professional due diligence. Otherwise, there is a risk of unduly weakening the effectiveness of the solvency test and reducing its significance to a purely formal function. SI (Comments): The purpose of share capital, its maintenance, and the formation of legal reserves is to protect creditors and ensure the integrity of the business environment. SK (Comments): This is the core article of the proposal, introducing director´s liability for incorrectly performed or omitted solvency and balance sheet tests. We would therefore welcome a more detailed provision specifying the documents that must be submitted and the consequences of their failure. We would also like to discuss (without necessarily proposing their inclusion) potential consequences in other areas of law, such as insolvency law.
(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	AT (Comments): A clarification is needed as to which balance sheet items are covered by the term "***capital***" in the context of this provision, in particular whether this term refers to the company's **equity as a whole**, including, *inter alia*, subscribed capital, share premium, non-distributable reserves and other reserves.

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	PL (Comments): The proposed regulations state that, for a payment decision to be effective, members of the management board must certify that the total amount of assets as shown in the company's most recent balance sheet will exceed the total amount of the company's liabilities and equity. It should be noted that the condition as stated (the amount of assets exceeding the total amount of liabilities and equity) is impossible to meet in practice. This is because, in accordance with accounting principles, the amount of assets on the balance sheet must always equal the amount of liabilities (i.e., the total amount of liabilities and equity). The balance sheet test should consist of comparing the amount of assets solely with the amount of the company's liabilities, without taking into account the amount of equity. Furthermore, the proposed provision is inconsistent with the provision regarding the balance sheet test in Article 77(3)(a) of the draft (which compares the amount of assets with the amount of liabilities). Therefore, the text of the proposed subparagraph (a) of Article 72(3) should read: *„(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*" (the words "and capital" should be deleted). Similar amendments to the text, consisting of deleting the words "and capital," should also be made in paragraphs 4 and 5.
(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).	
	CZ (Drafting suggestions):

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	3a. The amount to be distributed may not exceed the total profits made since the end of the last financial year for which the annual accounts have been drawn up, plus any profits brought forward and sums drawn from reserves available for this purpose, less losses brought forward and sums to be placed to reserve pursuant to the articles of association. CZ (Comments): The limitation of distributable amount taken from Article 56(5)(b) CLD might be one possible protective mechanism to prevent abuse.
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.	DK (Comments): DK notes that the scope of directors' liability is unclear. The term “damages” is very broad, and DK requests clarification as to whether this refers specifically to repaying the amount distributed alone. Furthermore it should be specified that the members of the board can be both personally and jointly liable for the distributions. Since the EU Inc.-company is not required to build up capital or reserves, it’s important that the proposal contains other adequate creditor protection and appropriate measures, especially in the case where the directors are not able to return the distribution. MT (Drafting suggestions): 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

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	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 **the full amount of the unlawful distirbution and** for all damages resulting from the distribution. MT (Comments): This provision allows for directors' judgment. While this increases flexibility, it may reduce legal certainty and raise liability risks for directors due to increased responsibility.
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 oft 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.	LU (Comments): LU questions the limitation on a partner's obligation to make restitution in the event of a distribution in breach of section 72 ('to the extent that commitments entered into with creditors so require'), given that the distribution would in this case have been made in breach of the solvency test.
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	MT (Drafting suggestions):

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issuance of new shares, by all directors, who shall be jointly and severally liable for the consideration for the shares.	The shares of a company shall not be subscribed for by the company itself, **whether directly or indirectly through a subsidiary or a nominee acting under the company's instructions.** 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. **Liability shall be attributed to those directors or founders who authorized, participated in, or, having knowledge of the contravention, failed to take reasonable steps to prevent it.** MT (Comments): It is recommended that accompanying guidance be provided to ensure consistent application and legal certainty regarding liability attribution and enforcement.
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***	MT (Comments): This provision enhances flexibility but it increases reliance on board judgment and may reduce legal certainty for creditors and shareholders. It is therefore recommended that clearer objective criteria and disclosure requirements be introduced to ensure consistency and adequate creditor protection.

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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.	LU (Drafting suggestions): 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 **with the same quorum and majority as required for amendments to the articles of association.** LU (Comments): Certain provisions of Section 4 of Chapter IV of Title I of Directive 2017/1132 shall be similarly applicable. LU notes in particular that the article does not set a limit on the number of shares that may be held by the company itself, nor does it provide for penalties if the company acquires its shares in breach of Article 74. LU also wonders how this article relates to the right of withdrawal provided for in Article 52.
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.	AT (Comments): See comment on Art. 67(2). FI (Drafting suggestions): 2. The ~~articles of association~~ **general meeting** 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. FI (Comments): FI: Amend the power of delegation to general meeting.

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	Delete (or clarify) references to another company body. LU (Drafting suggestions): 2. The articles of association may authorise **for a period of up to five years from the date of the resolution referred to in paragraph 1 or the date of its publication,** 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 **and, in case of acquisition against consideration, the mínimum and maximum values.**
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.	MT (Drafting suggestions): To reword paragraph 4 as follows: The company shall only acquire its own shares for consideration out of funds available for distribution as evidenced by the most recent annual accounts or, where the acquisition occurs between accounting periods, interim accounts prepared in accordance with the same standards. The acquisition shall not result in the company's net assets becoming lower than the sum of its subscribed capital and non-distributable reserves.
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	

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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***	LU (Comments): In general information on treasury shares should be published for transparency purposes and to protect creditors.
1. The company may hold its own shares in treasury, transfer them in accordance with Articles 58 and 59 or cancel them.	FR (Drafting suggestions): 1. The company may hold its own shares ~~in treasury~~, transfer them in accordance with Articles 58 and 59 or cancel them. FR (Comments): The Art. 75 uses the term “held in treasury,” but this seems awkward in light of the accounting requirements of Directive 2013/34/EU, which preferentially provide for accounting treatment as a liability deducted from equity. LU (Comments): LU would like the Commission to clarify whether Article 77 applies where treasury shares and redeemed shares are cancelled by a decision of the board of directors, resulting in a reduction in share capital.
2. The company shall not have any rights attached to own shares held in treasury.	FR (Drafting suggestions):

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	2. The company shall not have any rights attached to own shares ~~held in treasury.~~ FR (Comments): Alignment
3. The general meeting decides on the cancellation of own shares.	LU (Drafting suggestions): 3. The general meeting decides on the cancellation of own shares **with the same quorum and majority as required for amendments to the articles of association.**
4. The articles of association may authorise the board of directors or another company body to decide on the cancellation of own shares.	AT (Comments): See comment on Art. 67(2). FI (Drafting suggestions): 4. The ~~articles of association~~ **general meeting** ~~-~~may authorise the board of directors ~~or another company~~ body to decide on the cancellation of own shares. FI (Comments): FI: The board could have this power. However, as regards the systematic design of the proposed Regulation, amend the power of delegation to the general meeting.

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	Delete (or clarify) references to another company body.
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.	CZ (Comments): The wording of the provision is overly complex and leaves room for misinterpretation. Clarification of the wording is requested.
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.	LU (Comments): LU would like the Commission to clarify whether Article 77 applies where treasury shares and redeemed shares are cancelled by a decision of the board of directors, resulting in a reduction in share capital. SK (Comments): We would like to discuss during the Working Party introduction of a requirement for mandatory publication in the business register of the issuance of redeemable shares by a company. Such publication should include, at a

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	minimum, information on the existence of redeemable shares, their class, the conditions of their redemption, and the consideration that may be required from the company. Redeemable shares may result in the extraction of assets from the company and information on such shares should therefore be accessible to all shareholders, investors, creditors and the company´s business partners beforehand.
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.	

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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***	PL (Comments): Concerns have been raised regarding the lack of explicit safeguards for creditors in the event of a capital reduction or distributions to partners or shareholders. The draft does not provide creditors with the right to demand the establishment of appropriate safeguards in situations where the planned transaction could jeopardize the satisfaction of their claims. It is therefore worth considering the introduction of a mechanism enabling creditors to request security for their claims in the event that a threat to the company's ability to fulfill its obligations is substantiated.
1. The general meeting shall decide on a capital reduction.	LU (Drafting suggestions): 1. The general meeting shall decide on a capital reduction **with the same quorum and majority as required for amendments to the articles of association**. LU (Comments): LU suggests incorporating a mechanism similar to Article 75 of Directive 2017/1132, which allows creditors whose claims arose prior to the publication of the resolution decision to obtain security for claims that have

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	not yet fallen due at the time of that publication, with a view to protecting creditors. LV (Comments): Latvia generally supports the framework provided for in Article 77 on capital reduction, in particular the requirement for an independent expert's report, a balance sheet test and a solvency test. In Latvia's view, these mechanisms are important for ensuring creditor protection. At the same time, the existence of these safeguards further confirms the need to assess whether equivalent protection mechanisms should also be provided in other situations under the draft Regulation where significant distributions of value are permitted or where the level of creditor protection may be reduced.
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	

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(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.	DK (Comments): DK notes that the definition of "independent expert" is unclear. Does this term refer specifically to accountants, or could it also include, for example, lawyers? HR (Comments): HR "Solvency test", We don't have a legal base for such test in nation legislation.
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.	AT (Comments): See comment on Art. 67(2). FI (Drafting suggestions): 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.~~

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	FI (Comments): FI: The matter is larger than just a question of company powers. The matter is best left for the general meeting to decide, i.e. how to react to a loss-making company and which corrective measures are needed (e.g. attracting fresh capital or just making an offsetting record in the accounting). LU (Drafting suggestions): 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. ~~**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.**~~ LU (Comments): The power granted to the board of directors to amend the articles of association following the capital reduction should be limited to the case provided for in the last subparagraph of paragraph 3, i.e. where the sole purpose of the capital reduction is to cover losses that cannot be covered by other equity, or to increase the capital at the same time by an amount at least equal to that of the reduction.
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	LU (Drafting suggestions):

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accordance with Article 27. The capital is considered to have been reduced once the reduction has been made publicly available in the business register.	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.**~~ **capital reduction is resolved upon in accordance with this Article.** LU (Comments): The capital reduction must also take effect at the time of the general meeting's decision rather than upon publication.
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.	DK (Comments): See our comments under article 72(4).
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	LU (Comments): LU questions the limitation on a partner's obligation to make restitution in the event of a distribution in breach of article 77 ('to the extent that commitments entered into with creditors so require'), given that the distribution would in this case have been made in breach of the solvency test.

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distribution to the company to the extent that commitments entered into with creditors so require.	
	MT (Drafting suggestions): Mt suggests the inclusion of par 7. 7. **A capital reduction shall not take effect where the EU Inc. has employees or has had employees during the twelve months preceding the decision on the capital reduction, unless the board of directors certifies, on the basis of appropriate evidence, that notwithstanding the proposed reduction of capital:** **(a) all wages, salaries and other remuneration due to employees have been paid or are fully secured;** **(b) all claims relating to annual leave, notice periods, termination payments, compensation, severance or other employment-related entitlements have been settled or are fully provisioned;** **(c) all social-security contributions, payroll-related taxes and other mandatory employment-related payments due under Union or national law have been paid, secured or duly provisioned; and** **(d) no pending administrative, judicial or extra-judicial labour-related claims, inspections or enforcement proceedings exist, unless adequate provision has been made for their full satisfaction."** MT (Comments): There mut be added a principle that no reduction in capital may be authorized unless there is proof that notwithstanding reduction in capital, employees will still have the payment of their wages guaranteed, and all claims related to leave , notice, compensation social-security liabilities and labour-related claims settled. In this regard, Malta is suggesting the inclusion of par. 7

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CHAPTER VIII – EU EMPLOYEE STOCK OPTION PLAN	
Article 78 ***EU-ESO***	HR (Comments): We consider the proposed Regulation unacceptable with regard to the application of Articles 78 and 79 at this stage, without further analysis, particularly concerning their impact on local government budgets. Under the current Income Tax Act, the granting of shares or the acquisition of shares and equity interests in a company through stock options is subject to capital income tax at a rate of 24%. The provision of the Regulation is applicable only in one specific case, namely where the exercise of an option right is deemed to occur at the moment when the right to purchase the company's shares is transferred to a third party. We consider it more appropriate, given that tax matters are subject to a special legislative procedure requiring unanimity, to separate the tax provisions into a standalone legal act with an appropriate legal basis, to be discussed within the competent working parties dealing with tax matters. LU (Comments): The potential use of share option schemes, as provided for in Chapter VIII of the proposal, must be clearly regulated to ensure that these instruments cannot be used to circumvent existing labour law, i.e. that they cannot replace remuneration set by employment contracts or collective agreements. PL (Comments): Concerns have been raised regarding the very broad authority granted to the management board to issue warrants and new shares without preemptive

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	rights for existing shareholders. The draft regulation provides for the automatic exclusion of preemptive rights with respect to both warrants and the shares being issued, while at the same time imposing very limited scope for shareholder control. The resolution of the general meeting specifies only the basic terms of the program, while the actual issuance of warrants and shares has been entrusted almost entirely to the management board. It appears that the proposed solution could lead to a significant "dilution" of the shares of existing shareholders. The draft does not provide for any limit or obligation to maintain proportionality with respect to existing shareholders. In practice, this could lead to the program being used not only as an incentive tool but also as a mechanism for shifting corporate control. For this reason, the draft regulation requires, at a minimum, the introduction of a maximum cap on the issuance of shares under the program in question, expressed as a percentage of the existing capital or number of votes, the exceeding of which would require a qualified majority of votes or the separate consent of minority shareholders. PT (Comments): With regard to the EU-ESO plan regime, Article 78 lacks the necessary legal density, presenting an overly broad framework that fails to resolve critical fiscal questions. While it outlines the structural elements of the EU-ESO - such as eligibility, non-transferability, and the absence of pre-emptive rights - it leaves essential matters unaddressed. Specifically, the proposal remains silent on the qualification of the acquired benefit, tax documentation duties, potential withholding tax liabilities, reporting obligations, and the articulation with labor remuneration. Consequently, this lack of precision generates severe legal uncertainty, leaving the applicable tax framework across different national jurisdictions entirely unresolved.
	PT

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	(Comments): Eligibility should be clarified in broad and uniform terms, covering employees, service providers and advisors, the adoption of the EU Inc. should not entail the loss of benefits already acquired under national law.
1. The company may establish an EU employee stock option plan (EU-ESO) under which it issues warrants to eligible persons.	PL (Comments): It remains to be considered whether a provision should be added requiring the employer to inform employee representatives about the introduction of the stock option plan; its operating principles; the number of employees covered by the plan; the general criteria for granting benefits; and the risks associated with investing. SE (Drafting suggestions): 1. The company may establish an EU employee stock option plan (EU-ESO) under which it issues ~~warrants~~ **options** to eligible persons. **The establishment of such a plan shall be voluntary for employees and shall be without prejudice to national law and collective agreements regarding all components of remuneration and pay, including pensions.** SE (Comments): The term “warrants” should be replaced with “options”.
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	FR (Drafting suggestions): 2. Eligibility for warrants issued under the EU-ESO shall be restricted to members of the board and employees of the company and its

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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.	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~~ **50** per cent of the voting rights or rights in the proceeds of the company or have held such shares in the ~~24~~ **6** months preceding the issuance. FR (Comments): Stock options under the 28th plan are reserved for individuals holding less than 25% of the voting rights, which excludes founders who control their companies. This condition does not exist under the French legislation. Why did the Commission make this choice? The 24 months threshold appears also too restrictive for businesses, after first consultation of stakeholders by the French authorities SE (Drafting suggestions): 2. Eligibility for ~~warrants~~ **options** issued under the EU-ESO shall be restricted to members of the board and employees of the company and its subsidiaries. ~~Warrants~~ **Options** 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. SK (Drafting suggestions): Without prejudice to this Regulation, Member States may, at national level, broaden the scope of EU-ESO to cover additional categories of stakeholders. SK (Comments):

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	Our enterpreneurs suggested broadening the eligibility criteria to include long-term business partners performing essential work for the company, such as IT contractors. If this is not reflected in the text, would a Member State nevertheless be able to introduce such an extension for EU-ESO at national level?
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;	SE (Drafting suggestions): (b) the maximum number of ~~warrants~~ **options** that may be issued under the EU-ESO and the shares to which the holder of a**n** ~~warrant~~ **option** shall be entitled upon exercise of the ~~warrant~~ **option**;
(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.	SE (Drafting suggestions): (c) a mandatory waiting period before which the ~~warrants~~ **options** issued under the EU-ESO shall not be exercised, which shall be at least 24 months from the issuance of a**n** ~~warrant~~ **option**.
4. Warrants issued under the EU-ESO shall be non-transferable and issued for no consideration.	SE (Drafting suggestions):

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	4. ~~Warrants~~ **Options** issued under the EU-ESO shall be non-transferable and issued for no consideration. SK (Comments): We understand that warrants issued under the EU-ESO are intended to be non-transferable, as well as rationale behind this provision. However, we would like to discuss whether EU-ESO warrants should be subject to inheritance (unless such transfer is excluded by the general meeting decision or by the articles of association) and, if so, what the practical consequences would be, such as the waiting period for exercise of the warrant by the heir, the scope of vested and unvested warrants, the extent of the heir´s information obligations, and the technical process for the registration of newly issued shares.
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.	SE (Drafting suggestions): 5. The consideration for new shares issued upon exercise of ~~warrants~~ **options** 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.	SE (Drafting suggestions): 6. The board of directors shall be authorised to issue ~~warrants~~ **options** under the EU-ESO and to issue new shares to satisfy claims arising from the ~~warrants~~ **options**. The board of directors may also satisfy claims arising from ~~warrants~~ **options** issued under the EU-ESO by transferring own shares held in treasury.

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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.	PL (Comments): The lack of detailed rules protecting existing shareholders also raises significant concerns. Article 78(7) excludes preemptive rights with respect to both warrants and new shares issued upon the exercise of warrants. This approach is functionally understandable, as an option program requires flexibility, but it should be balanced by stronger safeguards: a qualified majority requirement, a duty to disclose the effects on the ownership structure, and possibly a duty to justify the economic rationale of the program. SE (Drafting suggestions): 7. Existing shareholders shall have no pre-emptive rights on ~~warrants~~ **options** issued under the EU-ESO and on new shares issued to satisfy claims arising from the ~~warrants~~ **options**.
	MT (Drafting suggestions): MT suggest inclusion on par. 8 **An EU employee stock option plan shall not be used as a substitute for wages or other employment-related entitlements.** **Any warrants, shares or benefits granted under such a plan shall be without prejudice to the worker's right to receive, in full and when due, minimum wage, statutory remuneration, overtime pay, annual leave pay, sick leave pay where applicable, notice pay, severance pay, compensation, collectively agreed remuneration, social-security contributions, or any other entitlement provided by Union law, national law, collective agreements or practice.**

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	<u>Unless national law expressly provides otherwise, benefits granted under an EU employee stock option plan shall not be taken into account in a manner that reduces, offsets or adversely affects the calculation, accrual or payment of statutory or collectively agreed employment entitlements</u>
Article 79 ***Taxation of warrants under the EU-ESO***	AT (Comments): As regards provisions relating to tax law, see **comment under Art. 4(1)**. BG (Comments): The provision of (Article 79) creates ambiguity as to the proposed tax treatment and its interaction with national tax regulations, in so far as paragraphs 2 and 3 are somewhat contradictory. CZ (Drafting suggestions): **Article 79** ~~***Taxation of warrants under the EU-ESO***~~ CZ (Comments): While we take note of the explanations provided by the Council Legal Service, the inclusion of provisions regulating taxation in this Regulation still significantly increases the risk of intervention by the CJEU, which co-legislators cannot afford in the current context. At the same time, decision-making on taxation by qualified majority constitutes a dangerous precedent, which CZ rejects. Substantively, we are open to harmonisation in this area, but only on the basis of Article 115 TFEU, by unanimity and within Council formations competent for tax matters.

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	For this reason, this provision should be removed from the present proposal and addressed in a separate legislative act. EE (Comments): Estonia does not support the regulation of tax matters in the proposal, in particular the determination of the taxable moment for income derived from employee share options. The legal basis of the proposal, Article 114 TFEU, does not allow for the regulation of tax matters; such matters must be addressed under Article 115 TFEU, which requires unanimity. While Estonia supports such an approach to taxation, it cannot support the regulation of tax matters in this Regulation on the basis of Article 114 TFEU, as paragraph 2 of that article 114 explicitly excludes the harmonisation of tax provisions under the ordinary legislative procedure. Estonia has previously taken the position (ELPOL) that tax matters should be decided on the basis of unanimity. The regulation of tax matters should be addressed through a separate instrument ensuring an appropriate legal basis. A directive is the appropriate EU legal instrument for establishing tax rules, rather than a directly applicable Regulation. Tax law, by its nature, is not directly applicable, as it generally requires the adoption of additional national provisions in order to function in practice. A directive allows Member States to transpose its provisions into national law in a manner that preserves its substance and objectives. This ensures that taxpayers have legal certainty that all tax obligations applicable to them are set out in the legislation of the Member State. It is important to avoid a situation in which the principles governing the taxation of employees' income differ depending on the legal form of the employer (EU Inc. versus OÜ or AS), and where tax provisions are not set out in Estonian tax legislation but instead derive from a directly applicable EU Regulation. Such an approach would create additional uncertainty for

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	employers and would neither reduce the administrative burden on businesses nor address the fragmentation of tax rules within the EU. While the objective of the this Regulation is to reduce uncertainty in the cross-border taxation of employee share options plays an important role in attracting talent in the European start-up and scale-up ecosystem, the proposed framework would address only a limited part of the fragmentation concerns. The Regulation does not resolve the broader issues of cross-border taxation of the EU Inc. as a company or of the salaries of its employees; rather, it is likely to raise additional questions regarding the tax residence of the EU Inc., thereby increasing the administrative burden on tax authorities in addressing and monitoring such issues. The seemingly simple deferral of the taxable event until the disposal of the shares would also affect the allocation of taxing rights between Member States, which may in turn have implications for Member States' tax revenues. Changes of this nature can only be adopted at EU level on the basis of unanimity. FI (Comments): FI: We pay particular attention to the fact that issues from other fields of law are combined with the company law proposal. This may involve significant problems. The proposal should not lead to reductions as regards the current state of play. We note that taxation is delicate for the MS. As the discussions in the national Parliament are still ongoing, we reserve the right to send our further comments on this at a later stage. MT (Comments):

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	Article 79 is mandating an approach which deviates from our current tax treatment with respect to stock options. The article is essentially mandating taxation solely at point of final disposal of the shares whereas Malta currently taxes not solely the ultimate capital gain (at the point of disposal of the shares), but also at the point of exercise of such options. At point of exercise, a fringe benefit is considered to have been brought about and the employee is subject to tax on such benefit/income as part of his/her employment income under the FSS system at 15%. (which is Malta`s equivalent of "pay as you earn" system.). The amount of the fringe benefit is the difference between the market price of the shares and the option price at the time the option is exercised. In addition, when the employee finally disposes of such shares, the difference between the market value upon sale and the market price of the shares at the time when the option was exercised exposes the employee to capital gains tax: - which gains are taxed as part of income and subject to the normal progressive personal income tax rates. (where Malta continues to hold taxing rights in connection with such gains). Whilst we agree that the granting or vesting of such options ought not be considered as appropriate taxing points, we harbour doubts whether crunching the subsequent two steps (exercise and ultimate disposal) into one (i.e. ultimate disposal) is appropriate. After all, upon exercise, shares *have* been acquired and a benefit *has* been crystallised. In our understanding, taxation at point of exercise is also the most prevalent treatment amongst countries. Beyond points of principle, we would like to understand further the implications of such an approach, and particularly the implications from an administration point of view. Offhand, it is felt that mobility of the employee (eg; he/she may leave the EU Inc employer prior ultimate disposal of shares; he/she may even change his/her tax residence prior disposal too) or

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	the involvement of third countries into the equation could bring about much added complexity in administering such. Under OECD guidance [Article 15 to the Model Tax Convention), whilst recognising that the taxable event depend on domestic law, the *treaty allocation* does hinge on where the employee worked during the vesting period, regardless of when taxation occurs domestically. (Para 12.3 to Article 15 of the MTC - ie "*the Article does not impose any restriction as to when the relevant income may be taxed by the State of source. Thus, the State of source could tax the relevant income at the time the option is granted, at the time the option is exercised (or alienated), at the time the share is sold or at any other time. The State of source, however, may only tax the benefits attributable to the option itself and not what is attributable to the subsequent holding of shares acquired upon the exercise of that option…*" At the same time, in our understanding, the Regulation can only bind EU Member States. Presumably, third country nationals employed with an EU Inc in a MS would be equally covered by such mandatory treatment; as the treatment prescribed is applicable for those "*issued by the EU Inc*". Would that EU MS be bound to apply such treatment with say a third country jurisdiction despite that the double tax treaty in place with that same third country (and which may well become the country of tax residence of the individual previously employed by the EU Inc in that EU MS) would have otherwise allowed flexibility to tax at an earlier point? Wouldn`t such approach make it more cumbersome to collect what is due upon the ultimate disposal? Wouldn`t such approach induce the possibility of more disputes with that given third country who may in turn have a varying treatment as to any subsequent gain on the acquired shares (i.e. the value of the shares that accrues after exercise and which gain will be derived by the employee in his capacity of investor/shareholder, and covered by other treaty article [Article 13 -Capital Gains])?

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	As such, while pointing out the above, at this stage we would like to better understand the implications of such a mandatory requirement first. PT (Comments): Regarding the taxations of this EU-ESO plan, Article 79 extends beyond a merely instrumental function, establishing provisions with direct and substantial repercussions on national tax regimes. In this Article, several issues remain unresolved in this proposed tax regime, such as national rules governing the specific timing of tax incidence, cross-border employee mobility during the vesting period - which creates distinct risks of unresolved double taxation - and the lack of conceptual clarification of this incentive scheme to ensure legal certainty SE (Drafting suggestions): **Article 79** ***Taxation of ~~warrants~~ options 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.	CZ (Drafting suggestions): ~~1. The provisions of this Article shall apply to warrants issued by the EU Inc. under the EU-ESO as defined in Article 78.~~ ES (Drafting suggestions): 1. The provisions of this Article shall apply to warrants issued by ~~the~~ EU Inc. **companies which are innovative startups at the time of the issuance,** under the EU-ESO as defined in Article 78.

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	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]. ES (Comments): The purpose of the stock option tax regime is precisely to benefit innovative companies, so it is necessary to state this explicitly. Otherwise, this regime would apply generally to all EU Inc., which is not justified. LU (Comments): • LU cannot endorse the principle of including Article 79 in the proposal. • LU has serious doubts as to whether Article 114 provides an appropriate legal basis for this part of the proposal, including with regard to the applicable voting procedures. • In addition to this issue of the legal basis, LU is also unable to endorse the substance of the Commission's proposal regarding Article 79. The proposal risks creating two distinct regimes at national level regarding the taxation of share options, and furthermore limits Member States' sovereignty in matters of tax policy on this specific point. • LU would therefore like this provision – which, in our view, is not essential to achieving the general objectives pursued by the EU Inc proposal – to be omitted from the forthcoming compromise text. LV (Comments):

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	Latvia considers that Article 79 requires further assessment and clarification. Although the EU Employee Stock Option Plan (EU-ESO) is primarily presented as a company law instrument, Article 79 also affects matters related to direct taxation, in particular the timing of taxation, the qualification of income and the application of personal income tax and labour-related taxes in the Member States. Latvia considers it important that any discussion of such tax-related aspects fully respects the competences of the relevant Council formations and working parties, as well as the special legislative procedure applicable in the field of taxation, where the Council acts unanimously. Member States currently apply different national rules to the taxation of income derived from stock options, including different approaches to the moment of taxation, the qualification of income and the conditions under which tax exemptions or deferrals may apply. A uniform rule at EU level on the taxation moment and the conditions for deferral may therefore not be fully compatible with existing national personal income tax regimes. Particular attention should be paid to cross-border situations. During the period between the granting of stock options, the exercise of those options and the subsequent disposal of the shares, an employee may change tax residence or the Member State of employment. In such cases, uncertainties may arise as to which Member State has the right to tax the relevant income and how taxing rights should be allocated between Member States, including under applicable tax treaties. Latvia therefore considers that the impact of Article 79 on Member States' direct tax systems should be further assessed. The provision should be clarified so as to avoid legal uncertainty, double taxation or non-taxation in cross-border situations, and to ensure that the Regulation does not

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	unintentionally interfere with Member States' tax competences and existing tax treaty obligations. SE (Drafting suggestions): 1. The provisions of this Article shall apply to ~~warrants~~ **options** issued by the EU Inc. under the EU-ESO as defined in Article 78. SE (Comments): Chapter VIII, and in particular Article 79, concerns taxation and we still, even in the light of the statement by the Council´s legal service, question whether article 114 is the correct legal basis in this regard. The correct legal basis is article 115 for direct taxation, which means that decisions must be taken unanimously. Employee stock option programs are of great importance for new and growing companies to attract talent and skills. However, the proposal deviates from how SE generally taxes employee stock options. SE is as a principle opposed to increased harmonisation of taxes at EU level, in particular in the area of direct taxation. The benefits of having harmonised rules must be weighed in each individual case against, inter alia, the restriction on Member States' ability to introduce and design their own national tax rules that harmonisation entails. Despite the discussion during the last WP-meetings, we still find it unclear how the proposed regulation relates to other regulations such as, for example, the Commission's recently proposed regulation of preferential taxation of employee stock options in the General Block Exemption Regulation (GBER).

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	We would also like it to be clarified that the provisions on taxation in this proposal do not affect the allocation of taxing rights under the applicable tax treaty.
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.	CZ (Drafting suggestions): ~~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.~~ HR (Comments): It may be necessary to change the existing national legislative framework, but only as far as companies - the EU Inc. PL (Comments): This provision allows for the deferral of taxation on income derived from participation in incentive programs, the rules for which are already in place in Poland exclusively for incentive programs based on shares of joint-stock companies and simplified joint-stock companies. At the same time, Poland wishes to point out that the solutions provided for in Article 79 of the draft regulation, which extend the scope of tax preferences to shares in the proposed type of EU company known as EU Inc., may necessitate extending such preferences to shares in other limited liability companies or other equity interests in entities that are not joint-stock companies or simplified joint-stock companies. Such an extension would pose significant risks to the

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	stability of public finances. In practice, this would mean postponing the timing of the tax liability and shifting the source of revenue to a source subject to lower public-law burdens. SE (Drafting suggestions): 2. The income derived from the ~~warrant~~ **option** shall be deemed not to have accrued at the time of grant of the ~~warrant~~ **option**, at vesting, nor when the holder of the ~~warrant~~ **option** 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~~ **option** are disposed of. SI (Comments): Article 79 addresses the tax treatment of share purchase vouchers, including the timing of taxation and the determination of the taxable amount. These issues fall within the field of direct taxation, which remains primarily within the competence of the Member States. In Slovenia's view, provisions affecting the essential elements of tax liability should be assessed with due regard to Member States' competences in the area of direct taxation and, where appropriate, discussed within the relevant Council structures responsible for tax matters. We note that Article 79 goes beyond procedural aspects, as it regulates both the moment at which taxation occurs and the basis on which taxable income is calculated. These elements are closely linked to the design of national tax systems, tax policy objectives and incentive schemes. Consequently, careful consideration should be given to the interaction of these provisions with existing national tax frameworks. Slovenia therefore considers it important that discussions on these aspects take place in close coordination with the competent tax experts and relevant

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	Council working parties dealing with direct taxation, with a view to ensuring consistency with Member States' tax systems and preserving national competences in this area. In addition, further clarification of Article 79 would be welcome, as certain key concepts, including the notion of "disposal", are not defined in the draft Regulation. Greater legal certainty in this respect would facilitate a uniform interpretation and application of the provision across Member States.
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.	CZ (Drafting suggestions): ~~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.~~ FR (Drafting suggestions): 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~~ **transfer price** and their acquisition price. It shall be subject to taxation in accordance with national law FR (Comments): In French national law, remuneration tools such as those proposed in the draft regulation provide their beneficiaries with two distinct gains: (i) the exercise gain, equal to the difference between the actual value of the share at its acquisition date and its acquisition price, and (ii) the disposal gain, equal to the difference between the disposal price of the share and its actual value at its

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	acquisition date. On this basis, the total tax base for these two gains, under national law, is equal to the difference between the disposal price of the share and its acquisition price. Consequently, maintaining the proposed wording-which provides for a tax base equal to the difference between the "fair market value" of the shares at the date of their disposal and their acquisition price-would, compared to national law, result in: • either **no taxation of part of the disposal gain**, when the disposal price is higher than the fair market value of the share at the date of its disposal. This lack of taxation on part of an actually received gain, which would notably lead to reverse discrimination between taxpayers benefiting from "EU-ESO" subscription warrants and those benefiting from existing qualified schemes under national law, does not appear justified by the objectives assigned to the new regime; or **taxation of a gain not actually received**, when the disposal price is lower than the fair market value of the share at the date of its disposal. In this case, European instruments would necessarily be treated less favorably than all national instruments, which would contravene point 4 of Article 79 (see above) of the draft regulation. Moreover, it is uncertain whether such taxation would be compatible with national constitutional requirements to assess taxpayers' ability to pay
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.	CZ (Drafting suggestions): ~~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.~~

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	FR (Comments): We consider that the conditions of the EU Inc. tax regime are similar to those of the stock option regime under French law, which will allow these companies to benefit from a regime that is no less favorable than the French stock option regime and will comply with the non-discrimination clause. SE (Drafting suggestions): 4. Member States shall ensure that the ~~warrants~~ **options** 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.
	MT (Drafting suggestions): "**5. The tax treatment provided for in this Article shall be without prejudice to the application of Union or national labour law. Warrants, shares or income derived from warrants issued under the EU-ESO shall not be treated as replacing, reducing or offsetting minimum wage, statutory wage entitlements, overtime pay, annual leave pay, notice pay, severance pay, compensation, collectively agreed remuneration or other employment-related entitlements, unless national law expressly provides otherwise."**
CHAPTER IX – CLOSURE OF SOLVENT EU INC. COMPANIES	BG (Comments): With regard to the provisions of Chapter IX "Closure of solvent companies EU Inc." and Chapter X "Insolvency proceedings" of the draft Regulation,

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	Bulgaria insists that this matter be excluded from the scope of the proposed Regulation and that the rules of the relevant national law be applied, which are taken into account and interlinked with the rules applicable in other areas of national law, such as tax law. In case that this matter is not removed from the project, safeguards should be provided for the application of certain particularly important rules laid down in national law concerning these proceedings and, in particular, the rules on competition between public enforcement proceedings and insolvency proceedings ensuring the protection of national financial interests. CZ (Comments): We note that the proposal does not contain any rules on the liquidation of insolvent EU Inc. At least basic provisions, including a reference to the application of national law, should be included, regardless of the fate of Chapter X. EE (Comments): Estonia considers it necessary, in the context of voluntary liquidation, that the proposal clearly set out how the mechanism for obtaining the consent of all creditors operates in practice, as well as the role of the register and other competent authorities (including those responsible for tax matters) in verifying the conditions for the removal of an EU Inc. from the register. Furthermore, the personal liability of directors as the primary safeguard following the deletion of a company from the register would constitute a disproportionate measure and could have a deterrent effect on entrepreneurship. As a general rule, claims against the company should be satisfied from the company's assets, while in certain cases due regard should

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	also be given to the potential liability of shareholders (e.g. in cases involving the use of nominee arrangements). Estonia can support the regulation of voluntary liquidation in the proposal only if the protection of creditors' interests is sufficiently ensured in line with the principles described above. Estonia's position is that the rules on voluntary liquidation and removal from the register should remain within the competence of the Member States or be limited to minimum harmonised standards that do not reduce existing safeguards, in particular ensuring the notification of creditors, the possibility to lodge claims and, where appropriate, the retention of liability even after the company has been removed from the register. LU (Comments): LU is still assessing the implications of the proposed winding-up mechanisms in general.
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.	CZ (Drafting suggestions): 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.

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	An EU Inc. may be dissolved either by a decision of a general meeting adopted by a majority required for amendments to the articles of association, or by a decision of a court of law. **The dissolution of an EU Inc. company shall be ordered by a decision of a court of law on the following grounds:** **(a) the activity of the EU Inc. company is unlawful or contrary to public policy;** **(b) the EU Inc. company repeatedly fails to file the documents and information as required by Articles 25 (1) or 40 (2), or to update them in accordance with Article 27, and such failure has not been remedied after a due notice;** **(c) (…)** **(d) in accordance with national law of the Member state of registration of the EU Inc.** **The decision of a court of law on dissolution of the EU Inc. company shall not constitute a penalty according to Article 106 and is without prejudice to such penalties.** CZ (Comments): The conditions for dissolution of the company with ex tunc effects are not sufficiently clarified in the proposal. We suggest defining two main grounds for dissolution: a decision of the general meeting and dissolution by court. Given the harmonisation objective of the Regulation, it may be worth discussing harmonising the basic grounds for dissolution, while allowing additional grounds to remain subject to national law. It is also necessary to clarify the relationship with Article 106, as dissolution of the company may constitute a sanction under national law.

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	If full harmonisation is not possible, it becomes even more important to regulate the conditions for dissolution by court. Judicial dissolution should be preceded by proper liquidation, which may be clarified in a recital. LU (Drafting suggestions): 1. Where an EU Inc. company is dissolved in view of a solvent liquidation **in accordance with the law of the Member State of registration**, 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. LU (Comments): Could the Commission confirm that the national law of the registered seat applies to voluntary dissolution and liquidation of the EU Inc.? MT (Drafting suggestions): 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. **This filing shall be accompanied by a Declaration of Solvency signed by the directors, confirming that the company has no liabilities or can pay its debts in full within 12 months. A copy of the resolution to dissolve and the appointment of a qualified liquidator must be uploaded simultaneously to ensure a clear chain of responsibility.** SE (Drafting suggestions):

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Commission proposal	Drafting suggestions and Comments
	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. **<u>Unless regulated in this Regulation, all matters concerning liquidation shall be governed by national law in the Member State where the EU Inc. has its registered office.</u>** SE (Comments): It should be clarified that a decision to liquidate at solvent company is to be made in accordance with national law in the registering Member State. Otherwise, it has to be clarified how the decision to liquidate the company is to be made. All the provisions in this chapter assume that the decision has already been made, but the provisions do not specify who makes the decision, nor do they set out the procedural requirements to be met in connection with the decision – for example, that relevant information must be given to the shareholders. We also have a question regarding the appointment of a liquidator. Should a liquidator be appointed if national law requires one to be appointed? SK (Comments):
	The Slovak Republic is still analysing this provision. However, at this stage, we have reservations regarding the submission of applications through the EU interface (Article 27).

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	Various types of data and documents are submitted to the Business Register in Slovakia. For each type of change in the Business Register, Slovakia uses standardised forms. These forms allow for the automatic extraction of data for the court officer, thereby reducing the risk of errors. In addition, they enable automated checks and speed up the registration of changes. *We have also raised these concerns in writing in relation to Article 27. We therefore have doubts regarding the functionality and added value of such a filing system.*
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.	LU (Drafting suggestions): 2. Upon receipt of this information, the business register referred to in paragraph 1 shall ~~**immediately**~~ **without undue delay** update the EU Inc. company's status to reflect that it is undergoing liquidation and make this information available in accordance with Article 25. PT (Comments): The wording could be clarified to reflect that, strictly speaking, it is the registration of the dissolution that updates such status, rather than the registry's receipt of the relevant information.
Article 81 ***Nullity***	FI (Comments): FI: The matters should be left to national law. For one example, in 1(b) the wording is at a very general level. Numerous difficulties in interpretation and application of the provision can be anticipated, and the interpretations can vary from one MS to another. It should be deleted or radically clarified.

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	Another topic is the failure of an EU Inc. to file its financial statements. We wonder how the authorities should react to such omissions.
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:	CZ (Comments): Despite the explanations provided, the provisions on invalidity of EU Inc. appear to regulate a declaration of invalidity by a court with ex tunc effects. Accordingly, the grounds for invalidity should exist from the outset, which largely corresponds to those listed in paragraph 1. It is unclear why the grounds for invalidity deviate from Article 11 of the CLD. If this issue is not clarified, we request alignment with Article 11 CLD. We also suggest addressing the issue of dissolution with ex tunc effects in a separate provision. A drafting suggestion in this regard is included under Article 80(1). NL (Comments): To the Netherlands these separate rules on the nullity of the EU Inc. companies have caused confusion. We are concerned whether our rules on the prohibition of companies still apply. The grounds and effects of company nullity have already been harmonised by Directive (EU) 2017/1132. Why would this regime be necessary and why does the wording differ from the regime in Directive (EU) 2017/1132? The Netherlands will at the later stage come up with a text proposal for this Article. PL (Comments): The provision should be more consistent with the provisions of Directive 2017/1132. Pursuant to Article 11(b)(ii), “nullity may be ordered only on the

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	grounds that the objects of the company are unlawful or contrary to public policy," whereas the proposed Article 81(1)(b) of the draft regulation lists as one of the grounds for nullity "that the activities of the EU Inc. company are unlawful or contrary to public policy." This lack of consistency may lead to interpretative doubts. SE (Comments): SE welcomes the possibility of compulsory liquidation of an EU Inc. company. One question is whether all Member States have the power to liquidate an EU Inc. company, or whether only the Member State where the EU Inc. is registered has the possibility to liquidate the company. All Member States in which the company operates should be able to liquidate the company where there is a ground for liquidation. We also have a question concerning who (e.g. a shareholder, a member of the board, an authority) will be entitled to apply to the court for an EU Inc. company to be liquidated. We also find it more appropriate when it comes to liquidation on formal grounds, that the case should be handled by the authority managing the business register rather than by the court.
(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;	

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(b) that the activities of the EU Inc. company are unlawful or contrary to public policy;	FI (Drafting suggestions): ~~that the activities of the EU Inc. company are unlawful or contrary to public policy;~~ FI (Comments): FI: Deleted (or radically clarified).
(c) the lack of legal capacity of all the founder members at the time of the company's formation.	LU (Drafting suggestions): (c) ~~**the lack of legal capacity of all the founder members at the time of the company's formation**~~ **if the company does not comprise at least one founder who is validly committed**. LU (Comments): Shareholders should be legally capable at incorporation and throughout the life of the company.
	SE (Drafting suggestions): **(d) the EU Inc. company has failed to file its annual report and auditors report.** SE (Comments):

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	It should also be possible to liquidate an EU Inc. company who fails to submit the relevant documents required under the accounting legislation in the Member State where an EU Inc. is registered.
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.	MT (Drafting suggestions): To inlcude the following paragraph at the end: **To minimize the necessity of nullity proceedings, Member States shall ensure that the preventive control of legality includes a mandatory verification of: (i) the identity and "good standing" of all founders; (ii) the absence of disqualifications under national or EU law; and (iii) the authenticity of electronic signatures via a qualified trust service provider.** MT (Comments): This provision may limit preventive control at incorporation stage and shift enforcement burden to litigation and registry updates. It is therefore recommended that stronger verification safeguards be considered to reduce reliance on post-incorporation nullity proceedings and ensure greater legal certainty and protection of third parties.
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.	LU (Drafting suggestions): 2. **The nullity takes effect as from the date of the decision declaring it**. 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.

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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.	LU (Drafting suggestions): 3. **The nullity of a company pursuant to a court decision in accordance with this Article results in the liquidation of the company as in the case of winding-up**. 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. **The courts may determine the method of liquidation and appoint the liquidators.**
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**	MT (Drafting suggestions): To add the following wording at the end: **The business register shall act as the primary point of entry for liquidation data. However, the transmission of this data to other national authorities shall be subject to an automated validation protocol. This protocol shall ensure that all mandatory schedules are present and conform to the technical standards of the receiving authorities .** MT

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	(Comments): The proposed "once-only" digital submission framework improves efficiency, but it departs from the more structured multi-authority interaction and verification safeguards under the Companies Act, where liquidation involves coordinated oversight and formal procedural steps. While reducing duplication of filings, the regime increases reliance on the Business Registry as the central hub for data transmission and creditor communication, which may raise operational and system integrity demands. The removal of national formal requirements (including authentication) may also reduce procedural safeguards in sensitive creditor claim processes. It is therefore recommended that minimum verification and control mechanisms be retained to ensure data accuracy, legal certainty, and adequate protection of creditors 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 .	LU (Drafting suggestions): 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 **referred to in**

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	Article 20 (1) digitally about the change of the status of the EU Inc. company. LU (Comments): The obligation to exchange information should be limited to the authorities referred to Article 20. LV (Comments): It would be useful to clarify which national authorities are to be regarded as the relevant national authorities referred to in Article 82(3) and (4), as well as the scope and principles of the information exchange with those authorities. This is important in order to ensure a uniform and practically workable application of the Regulation across Member States. PT (Drafting suggestions): 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. **The business register shall inform the competent social security authorities of the commencement of the liquidation proceedings** PT (Comments): The business Register must also notify the relevant social security authorities of the commencement of liquidation proceedings.

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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 .	LU (Drafting suggestions): 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 .**~~ LU (Comments): The obligation to exchange information should be limited to the authorities referred to Article 20.
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.	LU (Drafting suggestions): 5. Upon the filing referred to in Article 80, its creditors shall be entitled to submit their claims**, if required by the national law of the Member state of registration,** 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. LU (Comments): There is no procedure to submit a claim (similarly to insolvency proceedings) in case of a solvent liquidation under Luxembourg law. The liquidator is responsible for realising the assets and discharging existing claims prior to the closing of the liquidation. Creditors are of course free to communicate with the liquidator with regard to their claim.

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Article 83 **Fast-track liquidation**	PT (Comments): We welcome the creation of more streamlined insolvency liquidation procedures for startups. Indeed, we take the view that the establishment of simplified regimes for SMEs operating in an equivalent manner across the Union would constitute an added value, as it would help to reduce the barriers arising from unfamiliarity with different legal systems, thereby facilitating internationalisation in a more accessible way
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:	LU (Drafting suggestions): 1. A solvent EU Inc. company shall benefit from a fast-track liquidation procedure provided that, at the date of the resolution **of the general meeting with the same quorum and majority as required for amendments to the articles of association** or event triggering its dissolution referred to in Article 80, the following conditions are met: LU (Comments): The proposal should specify which body is competent to decide on the commencement of fast-track liquidation proceedings. If the board of directors is competent to determine whether the conditions are met, is the commencement of proceedings subject to national law and, for example, in the case of Luxembourg, subject to a decision by the general meeting? LV (Comments):

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	Conditions set out in Article 83 should be carefully assessed from the perspective of creditor protection and legal certainty. In particular, it should be clarified how it will be verified that the EU Inc. has no assets or liabilities and that it is not subject to ongoing administrative or judicial proceedings. In Latvia's view, reliance solely on information provided by the company or on creditors' consent may not always be sufficient to fully exclude risks related to liabilities or assets that may be identified at a later stage. It should therefore be considered whether additional safeguards or clearer verification criteria are necessary. SE (Comments): As a general rule, only EU Inc.-companies that have ceased their economic activities should be able to use a fast-track liquidation procedure. It has to be taking into consideration whether it is appropriate for an EU Inc. company with liabilities to be able to use a fast-track liquidation procedure. If the company is solvent, it should settle its liabilities before using a fast-track liquidation procedure. There is a risk that the fast-track liquidation procedure will be misused for the purpose of evading liabilities. Although the directors are to be held personally liable to the creditors for any damage resulting from a false or fraudulent declaration of consent from the creditors, in practice it may be difficult to raise a claim against a director, since directors are not required to be residents where the company is registered. We also have concerns how to ensure that all creditors are made aware of the fast-track liquidation and can therefore consent to it.
(a) the EU Inc. has ceased its economic activity;	

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(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;	PT (Drafting suggestions): EU Inc. has no liabilities, **including social security debts or labour claims** PT (Comments): In Portugal, the liquidation procedure is subject to a procedure that requires compliance with specific rules, and the closure of the company does not extinguish any outstanding debts and claims
(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.	MT (Drafting suggestions): The EU Inc. is not subject to any pending administrative or judicial proceedings. **Fast-track liquidation should not be available when EU Inc. is subject to pending administrative or judicial proceedings and when the company has outstanding employment claims, wage arrears, social-security liabilities and pending claims filed with the labour inspectorate, even when no labour-inspection proceedings, have been initiated.**

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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.	EE (Comments): The period within which creditors of the EU Inc. company may oppose the fast-track liquidation procedure is short (30 days), compared to the four-month period applicable under Estonian liquidation procedures, and the primary safeguard after removal from the register is the personal liability of directors. Such allocation of risk is not sufficiently balanced. The proposal limits personal liability solely to directors, which means that the owners of the EU Inc. are not subject to liability. This may create situations where owners use assetless directors to wind up the company and fail to notify certain creditors. Where liability is limited to members of the management body, creditors may bring claims against them, but not against the owners. Under Estonian law, the possibility exists to carry out a simplified voluntary dissolution of a company; however, in such cases, shareholder liability is retained.
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.	

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Article 84 ***Fast-track liquidation procedure***	AT (Comments): The proposed provisions regarding a fast-track liquidation procedure (Arts. 84 and 85) are viewed very **critically**. NL (Comments): The Netherlands has a positive attitude towards the rules on the fast-track liquidation procedure. However, several provisions currently refer to the business register, although the business register in many Member States performs a registration function and is not the competent decision-making authority. The Netherlands will come with text suggestions to broaden this. PT (Comments): The provision appears to envisage a distinct and newly established procedure for the dissolution of the company, resulting in the corresponding registration of the cancellation of the company's registration with the Commercial Registry.
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.	LU (Comments): Could the Commission confirm that the procedure will not involve a liquidator and detail what would happen if the EU Inc. uncovers a debt or a distributable asset after the opening of the procedure? PT (Comments):

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	The proposal requires the company to have no liabilities, but it does not sufficiently define what the absence of liabilities means. The absence of due and payable debt is not the same as the absence of contingent liabilities. Future or conditional liabilities may exist, including tax, employment, environmental, contractual, regulatory or warranty-related liabilities. A fast-track liquidation without substantive verification may allow companies to be closed before those liabilities emerge. Access to fast-track liquidation should depend on an enhanced solvency declaration, supported by: ● a balance sheet test; ● a cash-flow test; ● an express statement that there are no material contingent liabilities; independent certification in cases involving employees, external funding, ● public subsidies, public contracts, regulated activity or material cross-border operations. The aim should not be to turn fast-track liquidation into a heavy procedure, but to prevent the regime from being used to erase companies with unresolved risks. SK (Comments): We would appreciate clarification as to whether this liquidation regime is intended to coexist in parallel with domestic liquidation regimes, allowing EU Inc. companies to choose between the two frameworks
The application shall specify the name of the director or directors representing the company for the purpose of the fast-track procedure.	SK (Comments): We are considering the practical application of this Article. In our view, it is not the role of the Business Register Court, with which the application is

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	filed, to decide on the authorisation of a fast-track liquidation pursuant to Article 83(4) or paragraph 1 of this Article. Following the filing of an application for liquidation and deregistration through the register or the EU interface, fast-track liquidation proceedings would therefore need to be initiated before the competent national court. We assume that the Business Register Court would merely transmit the request for the initiation of such proceedings to the competent court. In this context, we would appreciate clarification as to who would bear the costs of the liquidator and how the situation would be addressed if the company failed to cover such costs.
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	

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for a period of six years following the removal of the company from the business register.	
	PT (Drafting suggestions): **(e) Declaration of Social Security Contribution Status** PT (Comments): In Portugal, in these situations, a certificate must be issued proving that the Social Security contributory status is regularized
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**	AT (Comments): See **comment on Art. 84**. LU (Drafting suggestions): **Article 85** **Opposition of creditors <u>to the fast-track liquidation</u>**
1. Creditors of the EU Inc. company undergoing the fast-track liquidation procedure may oppose it and require the opening of the ordinary	AT

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liquidation procedure within 30 days following the disclosure of documents and information referred to in Article 84 (4).	(Comments): • With regard to the fast-track liquidation procedure, we have **concerns** if creditors are to have only a **30-day period** to challenge an unjustified use of this procedure. This period would be significantly shorter than the periods – typically several months – available to creditors in other proceedings that could jeopardize their rights (e.g., in the case of domestic or cross-border conversions, mergers, and demergers). It is also unclear why a solvent EU Inc. would need to be able to dissolve more quickly than other corporations. • Furthermore, we see a significant liability risk for the directors of an EU Inc. if they make a mistake when obtaining the "*consent of creditors*" within the meaning of Art. 84(2)(c) (e.g., if they overlook a creditor and therefore fail to obtain that creditor's consent). CZ (Drafting suggestions): 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~~ **60** days following the disclosure of documents and information referred to in Article 84 (4). CZ (Comments): For the protection of creditors' rights, we propose extending the time limit to oppose the fast-track liquidation. EE (Drafting suggestions): 1. Creditors of the EU Inc. company undergoing the fast-track liquidation procedure may oppose it and require the opening of the ordinary liquidation

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	procedure within **four (4) months** following the disclosure of documents and information referred to in Article 84 (4). EE (Comments): The period within which creditors of the EU Inc. company may oppose the fast-track liquidation procedure is short (30 days), compared to the four-month period applicable under Estonian liquidation procedures, and the primary safeguard after removal from the register is the personal liability of directors. Such allocation of risk is not sufficiently balanced. MT (Drafting suggestions): To include the following wording at the end: **Member States shall provide a standardized digital "Notice of Objection" form. To be admissible, the creditor must specify the legal nature of the debt, the amount claimed, and the evidentiary basis. The registry shall only assess the presence of these objective elements, not the underlying merits of the debt, which remain the jurisdiction of the courts.** MT (Comments): Clearer thresholds and guidance should be introduced for assessing creditor objections in order to ensure consistent application and procedural certainty. PL (Comments): The 30-day period for creditors to file an objection is too short. It is reasonable to extend this deadline.

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	PT (Comments): This entails an obligation to disclose the opening of the accelerated procedure SE (Drafting suggestions): 1. Creditors of the EU Inc. company undergoing the fast-track liquidation procedure may oppose it and require the opening of ~~the~~ **an** ordinary liquidation procedure **according to national law** within 30 days following the disclosure of documents and information referred to in Article 84 (4). SE (Comments): It should be clarified that "the ordinary liquidation procedure" referred to in the article means liquidation procedure according to national law. From art. 85.1 it follows that a creditor may oppose to a fast-track liquidation procedure for an EU Inc.-company. Since a fast-track liquidation procedure requires the consent of the creditors, it is unclear who are the creditors referred to in article 85.1. We also have concerns how the creditors are to be notified about the decision to liquidate the company? Is it reasonable to entirely rely on the statement in this matter from the board of directors? It may be very difficult for creditors to exercise their rights against individual directors in a later process and the procedure risks giving rise to costs and legal losses for creditors.

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	If a Member State has legislation requiring the summons of unknown creditors when a company is undergoing liquidation, would those national rules be applicable also to the liquidation of an EU Inc.-company?
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.	CZ (Drafting suggestions): 2. Creditors shall submit their objection to the business register where the EU Inc. company is registered**, or to a competent court**, stating the reason of their claim against the EU Inc. company. Member States shall ensure that this submission may be carried out fully online. CZ (Comments): Business registers in Member States are not always in a position to assess individual claims. We propose allowing for judicial review. LU (Comments): Must the objecting creditor provide the registry with evidence that the conditions of Article 83 are not met (for example, the continuation of economic activity, the existence of available assets, or ongoing administrative or judicial proceedings), or are the mere existence of a debt owed by EU Inc. or the absence of the creditor's consent to the opening of accelerated liquidation proceedings sufficient?

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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.	CZ (Drafting suggestions): 3. In case the claims are well founded, the business register **or a competent court** 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. CZ (Comments): See above. LT (Comments): Article 85(3) provides that, where the claims of creditors are well founded, the business register shall refuse the opening of the fast-track procedure. This provision requires the business register to assess the merits of creditors' claims, which goes beyond a purely formal verification of submitted documents. LT notes that the competence of the business register is limited to verifying whether submitted documents meet the requirements set out in law. LT therefore considers that assigning a substantive assessment function to the business register, as envisaged by Article 85(3), is incompatible with the role and competence of the business register and suggests that this provision be reconsidered. LU (Drafting suggestions): 3. In case ~~the claims are well founded~~ **objections are received in accordance with paragraph 2**, the business register shall refuse the opening of the fast-track procedure and inform the EU Inc. company of the reasons

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	for its decision, including the information about the opposing creditors and reasons of their claims **and the EU Inc. must open liquidation proceedings in accordance with the law of the Member state of registration**. LU (Comments): The registry must issue an administrative decision in the event of a refusal, even though it may not be in a position to assess the merits of the objection. It would be more appropriate to provide that, in the event of an objection by a creditor, liquidation proceedings must be opened in accordance with national law where one of the conditions for opening proceedings set out in Article 83(1)(c) and (2) is not met. LV (Comments): We cannot support an approach under which the national business register would be required to assess the merits of creditors' claims or to decide disputes related to such claims as a precondition for the application of the fast-track liquidation procedure. In Latvia's view, the assessment of such matters goes beyond the functions of a registration authority. Member States should retain sufficient flexibility to designate the competent authority for dealing with such issues in accordance with the institutional structure of their own legal systems.
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.	CZ (Drafting suggestions): 4. The business register **or a competent court** 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.

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	CZ (Comments): See above. LU (Drafting suggestions): ~~**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.**~~ LU (Comments): If the registry can consider objections received after the 30-day period referred to in paragraph 1, what should the consequences be? We suggest deletion in view of our amendments in paragraph 3 and uncertainty for creditors.
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:	LU (Drafting suggestions): 5. The removal of the EU Inc. company from the business register **in accordance with Article 87** 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: LU (Comments): If the register receives objections the company shouldn't be removed from the register.

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	PL (Comments): This provision requires reconsideration because it does not provide for an indirect protective mechanism for the company's creditors, such as a court deposit or other form of security for claims. The solution proposed in the regulation only allows the company's creditors to pursue claims directly against members of the management board after the EU Inc. has been struck from the register, including with respect to disputed claims (pending cases) or claims that were not filed in the simplified procedure. This solution may lead to an unjustified imposition of personal liability on members of the management board. It seems that a more proportionate mechanism would be to introduce an obligation to secure disputed, non-due, or claims known to the company prior to deregistration in the form of a deposit. Only a breach of this obligation should justify the personal liability of members of the management board.
(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	BG (Comments): We consider that the liability of the members of the board of directors (who may not be shareholders in EU Inc.) towards the company's creditors under the second hypothesis of Art. 85, para. 5(a) of the proposal for a regulation, according to which, in the accelerated winding-up procedure, the removal of EU Inc. from the business register is without prejudice to the rights of creditors whose claims have not been lodged during the accelerated procedure, those creditors being able to exercise their rights vis-à-vis the board of directors, who are personally and, where applicable, jointly and severally liable for any outstanding liabilities. This results in the personal financial liability of the members of the board of directors for the performance of the company's duties, which would make the holding of such

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	a position inactive, all the more so in the case of start-ups targeted by the regulation. PT (Comments): We would welcome clarification on whether the recovery of debts in enforcement proceedings is intended to continue following the deregistration of the company from the commercial register. As currently drafted, this approach may raise questions, particularly in situations where the company has not settled its outstanding liabilities prior to deregistration. It may therefore be useful to clarify how the proposed mechanism interacts with the rights of creditors and the enforcement of outstanding obligations, in order to ensure legal certainty and avoid unintended consequences. SK (Comments): Another issue arising in this context concerns the Slovak legal institution of additional liquidation proceedings. These proceedings apply in situations where, after a company has been removed from the register, assets of the company are subsequently discovered which should have formed part of the liquidation process. Under Slovak law, a court decision ordering additional liquidation creates a legal fiction of the restoration of the company. The company's registration in the Business Register is reinstated for the duration of the additional liquidation proceedings, and previously unsatisfied claims are likewise revived. We would therefore appreciate clarification as to whether such additional liquidation proceedings may coexist alongside the regime envisaged by the Regulation. This institution is of particular importance for the Slovak Republic, as Slovak tax authorities have discontinued several control mechanisms within standard

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	liquidation procedures precisely on the assumption that additional liquidation proceedings remain available in cases where previously unknown assets are discovered.
(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**	AT (Comments): In our view, Art. 86 cannot be based on the **legal basis** of Art. 114 TFEU as it is a "*fiscal provision*" which is expressly excluded from this legal basis pursuant to Art. 114(2) TFEU. Also see comment on Art. 4(1). MT (Comments): Scrutiny reservation as internal analysis is still ongoing and not finalised. More time is needed to better evaluate operational considerations here.
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.	AT (Comments): • The proposed **deadlines** that tax authorities must meet are viewed very **critically**. • Art. 86 also proposes a 30-day deadline for tax authorities to assert tax claims ("***tax clearance***"): If the tax authority does not issue a statement within this period, it is presumed that there are no objections to the dissolution from a tax perspective, which would ultimately mean that existing tax claims do not have to be satisfied by EU Inc. This constitutes

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	an **unjustified preferential treatment** of EU Inc. companies compared to other companies, which must, of course, settle their tax liabilities in the course of a voluntary dissolution. CZ (Drafting suggestions): 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~~ **60** 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. CZ (Comments): In order to safeguard against any possible tax evasion, we propose extending the time limit for the tax authority. With the naturally cross-boarder character of EU Inc. this is even more important. HR (Comments): For all cases of company dissolution, it is necessary to ensure that the tax administrations of the Member States can intervene in cases of non-payment of taxes. In the Republic of Croatia, tax returns are submitted after the completion of the dissolution procedure, meaning that liabilities cannot be settled beforehand. LU (Comments): LU would like the Commission to confirm whether this article applies to both 'standard' liquidation proceedings under national law and the fast-track

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	procedure.LU also suggests also that the social security authorities confirm that no social security contributions are outstanding. PT (Drafting suggestions): 1. Where tax clearance **and social security contributions** are 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), **and the competent social security authority must issue a declaration of regularized contribution status or communicate a reasoned objection to the expedited process within 30 days**. The tax **and social security authorities** may notify its opposition to the fast-track procedure within the same period. PT (Comments): In Portugal, upon the dissolution and liquidation of companies, it is mandatory to regularize the Social Security contribution status SE (Drafting suggestions): 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	SE (Drafting suggestions):

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prolongation of the deadline referred to in paragraph 1, which may be extended by a maximum of another 30 days.	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.~~ SE (Comments): The tax authority must always actively confirm that tax clearance has been granted. A lack of response from the tax authority, within the specified time period, cannot be taken as confirmation that tax clearance has been granted.
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.	PT (Drafting suggestions): 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. **In the absence of a declaration of regularised social security status or where outstanding social security debts remain, the accelerated settlement procedure cannot be completed.** PT (Comments): In Portugal the absence of a declaration of regularised social security status or where outstanding social security debts remain, the accelerated settlement procedure cannot be completed. SE

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	(Drafting suggestions): 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.~~ **The fast-track liquidation procedure cannot be closed until the tax authority has confirmed that tax clearance has been granted.** SE (Comments): The tax authority must always actively confirm that tax clearance has been granted. A lack of response from the tax authority, within the specified time period, cannot be taken as confirmation that tax clearance has been granted.
Article 87 ***Removal from the business register***	LT (Comments): The Proposal does not address the possibility of dissolving an EU Inc. company and striking off or removing it from the business register on the initiative of the business register itself. LT notes that, under its national legal framework, a legal person may be dissolved on the initiative of the business register on the grounds established by the Civil Code. It is unclear whether, on the basis of Article 4(2), Member States retain the ability to apply such national rules to EU Inc. companies. LT therefore suggests that consideration be given to expressly providing in the Proposal for the possibility of dissolving an EU Inc. company and removing it from the business register on other grounds established under national law, including on the initiative of the business register, so as to ensure that Member States are able to apply national rules on dissolution where the conditions set out in national law are met.

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	LU (Comments): LU would like the Commission to confirm whether this article applies to both 'standard' liquidation proceedings and the fast-track procedure. LV (Comments): Latvia considers it essential that Article 87 is not interpreted as limiting the right of Member States to apply national compulsory liquidation procedures or other corrective mechanisms in cases where a company has in practice been abandoned or has committed serious breaches. In Latvia's view, such competence of Member States should also be clearly provided for in the text of the Regulation
	LT (Comments): With regard to Article 87, clarification is sought as to the treatment of unrealised assets and the rules applicable to them.
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:	LT (Comments): LT notes that it is unclear whether the terms "strike off" and "remove" are intended to have different legal meanings or whether they are used as synonyms. Given that Article 87(2) provides that the striking off or removal of the EU Inc. company from the business register results in the loss of its legal personality, clarification of the distinction between these two terms, if any, would be important for legal certainty. LT further notes that the Proposal does not specify what happens where the conditions set out in Article 87(1) are not met. In particular, it is unclear when and on what basis the EU Inc. company would be struck off or removed from

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	the business register where objections by creditors have been submitted pursuant to Article 85 or where the conditions under point (b) have not been satisfied. LT suggests that this be clarified in the Proposal. PT (Comments): Any amendment to this status requires the prior registration of the company's dissolution and the completion of the liquidation process.
(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.	PT (Drafting suggestions): b) a tax clearance or no objections to the fast-track procedure have been received from the national tax authority **and from the competent social security authority** pursuant to Article 86. PT (Comments): In Portugal to remove a company from the business register it is mandatory for the company to have its social security contributions up to date
2. The striking off or removal of the EU Inc. company from the business register shall result in the loss of its legal personality.	

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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	AT (Comments): Austria is generally open to simplified insolvency proceedings, provided that no risks of abuse arise and that the necessary protective mechanisms are preserved. However, the European Commission's proposal for such insolvency proceedings contains elements that do not ensure an effective and balanced insolvency framework. A procedure of this kind must be carefully designed and discussed on a well-founded substantive basis. Austria therefore **rejects Chapter X** for the following reasons: • The **scope of Title 10** is limited to EU Inc. entities operating as innovative start-ups. The definition of such companies in the Recommendation is highly vague and indeterminate, leaving considerable room for interpretation. It is unclear who is responsible for verifying compliance with these criteria and how disputes regarding the definition are to be resolved. • Title 10 is directed solely towards the liquidation of the company; a **restructuring or reorganisation plan** is not possible. This contradicts Austria's approach, which prioritises corporate reorganisation. • An **insolvency practitioner** is not mandatorily required. This entails significant risks of abuse. Without an independent body acting as an insolvency practitioner, the principle of equal treatment of creditors cannot be ensured.

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	• The requirements for the opening of insolvency proceedings are unrealistic. In practice, debtors are in most cases **unable to maintain an overview** of their creditors and their claims. It must be borne in mind that it is the debtor who has driven the company into insolvency. • The **realisation of the insolvency estate** via a national electronic auction platform, followed by the distribution of the proceeds to creditors, is planned to be carried out by the debtor. This appears highly questionable and gives rise to serious concerns. • The **timeframe** of six months from the date of application – despite the possibility of a one-time extension by an additional six months in individual cases – is in many cases insufficient in order to ensure fair and efficient proceedings. The draft leaves **numerous questions unresolved**, including the treatment of avoidance actions, which play a decisive role in maximising the insolvency estate. BG (Comments): There are serious concerns about Chapter X, especially about the scope of the regulation. We consider that there are inconsistencies in what is set out in the impact assessment, in particular with the concept of a start-up. It is stated that these are companies at the initial stage of their existence. At the same time, liquidation is the last stage of the existence of a company. This raises the question of what makes it necessary to simplify the procedure for those companies to exit the market. Given that they are allowed to enter easily, without capital and unnecessary administrative burdens, is it not more logical, at least at the final stage of their existence, to have stricter regulation, as already established by national legal systems? Easily exiting these companies from the market will create opportunities for abuses and bad

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	practices. Last but not least, the proposal also allows for the re-registration of already regulated companies, which is also a prerequisite for abuses and the choice of a lighter winding-up procedure. CZ (Comments): CZ supports deletion of Chapter X from the proposal, for reasons already repeatedly expressed by Member States in the Working Party and other meetings. The proposed rules constitute a significant and unsystematic intervention into insolvency law and undermine the principle of equality. At the same time, the shortcomings of the proposed framework are such that meaningful correction within the given timeframe appears almost impossible. CZ understands the desire for a harmonised insolvency framework for EU Inc. and therefore invites the Commission to present a new, separate proposal that would comprehensively address this area and allow for proper discussion and preparation within the competent Council preparatory bodies. EE (Drafting suggestions): ~~**CHAPTER X – INSOLVENCY PROCEEDINGS**~~ EE (Comments): Estonia does not support the regulation of insolvency law in the proposal and therefore considers it necessary to remove the chapter regulating insolvency from the draft, as the principles contained therein (such as electronic auctions of assets, simplified winding-up procedures and the limited role of the insolvency practitioner) in summary result in insufficient protection of creditors' interests and thus put at risk the credibility of the EU Inc. as a new legal form.

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	Chapter X seeks to establish a unified insolvency framework with certain simplifications (including the possibility of conducting proceedings without an insolvency practitioner), but such an approach does not provide sufficient protection for the interests of creditors or other stakeholders. Under Estonian law, the role of the insolvency practitioner is a cornerstone of creditor protection: the verification of claims, the administration of the insolvency estate, the avoidance of transactions, and the determination of the causes and timing of insolvency require impartial and professional conduct. The exclusion or limitation of the insolvency practitioner's role would reduce the reliability and transparency of the proceedings. Estonia therefore considers that insolvency matters should remain primarily governed by national law and that this Chapter X should be removed from the proposal or revised in a manner that ensures an adequate level of protection for creditors and other parties to the proceedings. It is claimed that the proposal complements Directive (EU) 2026/799 by introducing a simplified liquidation procedure and a framework for electronic auctions. However, Directive (EU) 2026/799 does not regulate a framework for electronic auctions. Article 4(5) of that Directive merely allows Member States to establish or maintain simplified liquidation procedures applicable to microenterprises. The introduction of electronic auctions for the realisation of assets would constitute the first EU-level legislative act to establish such a mechanism in this context and would require Member States to create auction systems compatible with a central platform. This represents a significant new obligation which should not be adopted without proper assessment. For a very limited number of EU Inc. entities, such a mandatory system would be disproportionate and costly. Simplified liquidation procedure – the proposal would establish detailed rules for a simplified liquidation procedure, whereas Directive (EU) 2026/799 merely provides Member States with the option to introduce or maintain such

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	procedures. Any mandatory rules would require further assessment and should not be limited to EU Inc. entities only. Role and powers of the insolvency practitioner – in standard insolvency proceedings, control over the debtor's assets is typically transferred to the insolvency practitioner. This enables the practitioner to preserve and realise assets and to safeguard the interests of creditors. Where control remains with the debtor, the proposal does not ensure the debtor's cooperation nor provide consequences for a lack of cooperation, thereby putting creditor protection at risk. Proceedings without an insolvency practitioner – the proposal does not clearly explain how proceedings would operate in the absence of an appointed insolvency practitioner. Where the debtor conducts the proceedings itself, the framework remains unclear. For example, the rules on electronic auctions appear to apply to the practitioner but not clearly to the debtor, which creates legal uncertainty and a risk of abuse. Creditors, creditor lists and the lodging of claims – the proposal relies largely on information provided by the debtor regarding creditors and claims. This may undermine creditors' ability to decide whether to participate in the proceedings and is problematic, as such information is often incomplete or inaccurate. Creditors must be able to lodge additional claims, and the list of creditors should be established on that basis; accordingly, the standard rules on the lodging of claims should apply. ES (Drafting suggestions): Spain favours a complete debate on the content of this chapter before any decision is taken on it. FI (Comments):

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	FI: This Chapter shall be deleted. We have great reservations about the proposed insolvency proceedings for innovative start-ups. Overall, the proposed insolvency procedure raises serious concerns with regard to the legal protection of creditors and the investigation of financial crime. The proposed proceedings are not suitable for innovative start-up companies. For example, an auction is not suitable to selling the assets of most start-ups. The procedure should take into account their special characteristics and safeguard the rights of domestic and foreign creditors in an appropriate and efficient manner so as not to jeopardise their access to finance. The proposal would considerably change the role and tasks of a court.. The Regulation should not result in the transfer of tasks related to insolvency proceedings from estate administrators, liquidators or enforcement authorities to courts, nor should it otherwise undermine the effectiveness, functioning or investigation of financial crime of the national insolvency system. We estimate that the proposal would in practice lead to slower insolvency proceedings for all EU Incs (e.g. in Finland as well as in many other MS) as compared to other companies, which in our view is contrary to the proposal's aim. We do no find it reaslistic to try and draft a functional insolvency regime for EU Incs/innovative start-ups in the timeline given for the negotiations of this file. Therefore, we urge the Commission to prepare a new proposal, in full cooperation with Member States. We believe that EU start-ups deserve a functional insolvency regime that does not risk their access to financing. (If, against all odds, there was a push to recast the proposed procedure during the Council negotiations, then the insolvency procedure should meet the minimum requirements for a well-functioning winding-up procedure, and it must not jeopardise national judicial, insolvency and financial systems. In

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	more concrete terms, the position of creditors is significantly strengthened, the debtor-in-possession during the procedure is abandoned, the appointment and responsibilities of an estate administrator during the procedure are ensured, and the electronic auction system is abandoned. In any case, it must be thoroughly prepared in cooperation with the Member States to adjust it to the existing systems and avoid overly costly and burdensome extra legislation in the national law) FR (Drafting suggestions): ~~**CHAPTER X – INSOLVENCY PROCEEDINGS**~~ FR (Comments): The French authorities firmly request the withdrawal of the provisions relating to insolvency law in the initiative, as stated in previous meeting These provisions do not appear to be necessary for the effectiveness of the 28th Regime. The impact assessment does not highlight any specific added value for this chapter nor any decisive contribution to the simplification and competitiveness goals of the instrument. The identified benefits appear limited and are already covered by existing instruments. This chapter would also fragment insolvency law as it would result in the creation of a derogatory regime for a limited number of enterprises. The scope of the proposed regime is very restrictive and poorly adapted to simplified liquidation, while the absence of insolvency practitioners in the procedure would be a foil for investors. This position is further supported by the consultations conducted with French enterprises and by the official positions of representative structures of

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	enterprises and financial stakeholders concerned, at both national and European level. The cost-benefit ratio of maintaining this chapter in the text therefore appears unfavourable and would jeopardise the success of the negotiations within the prescribed timeframe, in view of the dissensions it raises LU (Comments): LU is not opposed to the proposal including a specific insolvency regime for innovative start-ups, but points out that this chapter has not been subject to an impact assessment. MT (Comments): This chapter in essence reflects Title VI in the Commission's original proposal for a Directive harmonising certain aspects of insolvency law. MT had argued for the deletion of that Chapter and MT maintains the same position here. Thus, it does not support the introduction of this chapter and believes that a **full deletion of Chapter** X is the right way forward. PL (Comments): While Poland agrees that, in principle, the regulation should be as comprehensive as possible to ensure the greatest possible uniformity across the EU, it expresses serious reservations regarding the proposal to include provisions on insolvency proceedings in the draft. Creating a separate insolvency regime within the new instrument—one limited to the ill-defined group of "innovative companies"—will lead to the fragmentation of

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	insolvency laws rather than their harmonization. Furthermore, establishing electronic auction mechanisms for the purposes of these proceedings and for a narrow group of companies will entail significant costs, which may call into question the proportionality of such a solution. The significance and importance of bankruptcy law for capital and credit markets require the creation of a coherent, uniform, and predictable framework for bankruptcy proceedings. Any legislative proposals in this regard should be prepared with due diligence, with the involvement of Member States in all preparatory work as well as the entire negotiation process.
WINDING-UP OF INSOLVENT EU INC. COMPANIES THAT ARE INNOVATIVE STARTUPS	EE (Drafting suggestions): ~~**WINDING-UP OF INSOLVENT EU INC. COMPANIES THAT ARE INNOVATIVE STARTUPS**~~ HR (Comments): HR scrutiny reserve. Preliminary, taking into consideration the European Council conclusions from 19 March 2026 discussing this Chapter we are afraid we would not reach an agreement by the end of 2026. Possible solution is to put it in the square bracket for now. SE (Comments): We have doubts concerning this chapter about a simplified insolvency procedure for some EU Inc.-companies. We are open to delete the chapter in its current drafting, partly since the possibility of conducting the insolvency procedure without an insolvency practitioner, increases the risk of misuse.

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	Following objections from several Member States, including Sweden, similar rules were recently removed from the Directive harmonising certain aspects of insolvency law. Furthermore, regarding the length of the discussions on the Insolvency Directive, a discussion concerning the insolvency rules in this forum risks delaying the negotiations of the remaining parts of the proposal. SI (Comments): We emphasize the need for caution in regulating the field of insolvency law by the proposed regulation. SK (Comments): The Slovak Republic does not support the provisions of this Chapter and proposes its deletion. In our view, the Chapter primarily concerns insolvency law rather than company law and should therefore be discussed within the Civil Law Working Party. Including these provisions in the present proposal would significantly complicate and prolong the negotiations. We suggest focusing the Draft Regulation on company law aspects only. The main reasons underlying our position are the following: **A) Scope limited to innovative start-ups** The limitation of the scope of this Chapter to innovative start-ups is incompatible with the structure of Slovak insolvency law, which distinguishes debtors primarily according to their size or according to whether they are legal or natural persons. In practice, verifying whether an entity qualifies as an "innovative start-up" would raise considerable legal uncertainty and practical difficulties. It would constitute a significant complication and cause delays for insolvency courts, which would be required to assess and verify whether a

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	company qualifies as an innovative start-up for the purposes of the proceedings. **B) Conflict of applicable laws** The Chapter appears to create a conflict between the law applicable on the basis of the company's registered seat and the law applicable pursuant to the Regulation (EU) 2015/848 on insolvency proceedings, which is principally based on the debtor's centre of main interests (COMI). The EU Inc. Regulation states elsewhere that, on a subsidiary basis, the law of the Member State of the registered office applies, whereas insolvency matters should be governed by the law of the centre of main interests (COMI). The inclusion of this Chapter in the present proposal is therefore also inconsistent with EU law, in particular the Insolvency Regulation. **C) Absence of an insolvency practitioner** The Slovak Republic cannot support any type of proceedings conducted without the involvement of an insolvency practitioner, even in a simplified or limited form. The insolvency practitioner constitutes an essential element of supervision, verification and creditor protection within insolvency proceedings.
Article 88 ***Scope of application of the simplified winding-up of EU Inc. innovative startups***	CZ (Drafting suggestions): **Article 88** ~~***Scope of application of the simplified winding-up of EU Inc. innovative startups***~~ EE (Drafting suggestions): ~~**Article 88**~~

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	~~***Scope of application of the simplified winding-up of EU Inc. innovative startups***~~ PT (Comments): Article 88 defines the scope of application of the simplified winding-up regime for insolvent companies that qualify as innovative startups. However, instead of defining that concept directly in the Regulation, it refers to Commission Recommendation C(2026) 1800 on the definition of innovative enterprises, startups and high-growth scaleups, which can be open to different interpretations and lead to legal uncertainty. **In addition, we believe that the scope of this chapter should be extended to all EU Inc. entities and should not be limited to innovative startups**. There does not appear to be a compelling reason to limit the scope of this chapter to innovative startups. Its provisions should apply to all EU Inc. entities in order to ensure a coherent and consistent legal framework.
1. This Chapter applies to EU Inc. companies which are innovative startups.	CZ (Drafting suggestions): ~~1. This Chapter applies to EU Inc. companies which are innovative startups.~~ EE (Drafting suggestions): ~~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	CZ (Drafting suggestions):

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Commission Recommendation on the definition of innovative enterprises, startups and high-growth scaleups, C (2026) 1800].	~~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].~~ EE (Drafting suggestions): ~~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].~~ EL (Comments): Highly **vague and legally insecure**. It creates massive risks for judges, creditors, and founders alike. • It references Commission *Recommendation* (**C(2026) 1800**), which is "soft law"— non-binding guidelines, not hard statutory rules. Using non-binding text to trigger hard insolvency and bankruptcy rules will cause immediate legal challenges in national courts. • Recommendation C(2026) 1800 includes subjective clauses stating a firm is innovative if it carries a "risk of technological or industrial failure". A bankruptcy judge cannot objectively measure "risk of failure" or "state of the art" when a company is going under. • **No Proof of Status**: The draft text does not state *who* certifies that the company meets these criteria or *at what exact moment* (e.g., at incorporation, or at the time of bankruptcy filing) FI (Comments):

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	FI: It is not acceptable to define the scope of a Regulation with a Commission Recommendation. The definition as such opens many possibilities for abuse of these proceedings. If the Chapter is not deleted, this must be negotiated and discussed by the Member States, and where still applicable, written out in the Regulation. LV (Comments): Latvia considers that the concept of an "innovative startup" should be defined in the Regulation itself, or at least in its recitals, rather than being left solely to a reference to a Commission Recommendation. Such an approach is not sufficient, since a Commission Recommendation is not a legally binding instrument and may lead to divergent interpretations across Member States.
Article 89 ***Rules on winding-up of innovative startups***	CZ (Drafting suggestions): **Article 89** ~~***Rules on winding-up of innovative startups***~~ EE (Drafting suggestions): ~~**Article 89**~~ ~~***Rules on winding-up of innovative startups***~~ PT (Comments): It is not clear why there is a need for Member States to define the conditions under which a startup is to be considered insolvent or at risk of insolvency.

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	The rules of the general regime should apply, as they are sufficiently clear and objective. An innovative startup does not cease to be a company.
1. Insolvent EU Inc. innovative startups may request the opening of simplified winding-up proceedings in accordance with this Chapter.	CZ (Drafting suggestions): ~~1. Insolvent EU Inc. innovative startups may request the opening of simplified winding-up proceedings in accordance with this Chapter.~~ EE (Drafting suggestions): ~~1. Insolvent EU Inc. innovative startups may request the opening of simplified winding-up proceedings in accordance with this Chapter.~~ LV (Comments): It is not sufficiently clear who is responsible for verifying that the EU Inc. concerned meets the criteria of an "innovative startup", and at what stage this assessment is to be carried out. Since access to simplified winding-up proceedings depends on that status, the Regulation should clarify the competent authority and the applicable procedure.
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.	CZ (Drafting suggestions): ~~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.~~ EE

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	(Drafting suggestions): ~~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.~~ LT (Comments): Does this mean that, in this case, no criteria other than the inability to pay debts as they fall due under national law may be applied? LU (Comments): This paragraph leaves it to Member States to determine the criteria under which an innovative start-up is deemed to be insolvent, which could lead to differences in application. At the same time the proposal provides a definition of a solvent company: shouldn't both definitions be aligned? LV (Comments): Article 89(2) should provide for at least minimum common EU-level criteria for determining when insolvency has occurred. Under the current approach, the specific conditions are left entirely to the Member States, creating a risk that the conditions for the opening of insolvency proceedings will differ significantly from one Member State to another, thereby weakening the uniform application of the Regulation and creating risk of forum shopping. PL (Comments):

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	It is unclear whether this provision requires Member States to establish separate criteria for declaring an EU Inc. company insolvent, or whether such companies may be subject to the general rules under national law.
Article 90 ***Insolvency practitioner***	CZ (Drafting suggestions): **Article 90** ~~***Insolvency practitioner***~~ EE (Drafting suggestions): ~~**Article 90**~~ ~~***Insolvency practitioner***~~ LT (Comments): It is not clear whether, in the context of Article 90, an insolvency practitioner may be appointed in accordance with the procedures provided for under national law. Clarification on this point would be appreciated.
1. An insolvency practitioner within the meaning of Article 2, point (5), of Regulation (EU) 2015/848 of the European Parliament and of the Council[4] shall be appointed when simplified winding-up proceedings are opened.	CZ (Drafting suggestions):

[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/2015/848/2025-11-06.

Commission proposal	Drafting suggestions and Comments
	~~1. An insolvency practitioner within the meaning of Article 2, point (5), of Regulation (EU) 2015/848 of the European Parliament and of the Council[5] shall be appointed when simplified winding-up proceedings are opened.~~ EE (Drafting suggestions): 1. ~~An insolvency practitioner within the meaning of Article 2, point (5), of Regulation (EU) 2015/848 of the European Parliament and of the Council[6] 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.	CZ (Drafting suggestions): ~~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.~~ EE (Drafting suggestions): ~~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.~~

[5] 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.

[6] 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.

Commission proposal	Drafting suggestions and Comments
	LT (Comments): It would be helpful to clarify the meaning of the term "updated current balance sheet" and to specify the formal requirements applicable to such a document. In particular, consideration could be given to clarifying the relevant reference date of the balance sheet, whether any approval, certification or audit requirements apply, and the standards governing its preparation. Furthermore, clarification would be welcome as to the procedural avenues available to creditors wishing to challenge a court decision not to appoint an insolvency practitioner. LU (Comments): LU points out that an insolvency procedure, even simplified, without an insolvency practitioner poses risks for the protection of creditors, particularly as the criteria allowing the debtor to request an exemption from the appointment of an insolvency practitioner are not very stringent. LV (Comments): Latvia emphasises that the involvement of an independent and competent person in the simplified winding-up procedure is essential. Latvia does not support an approach whereby the procedure may, in certain cases, take place without the appointment of an insolvency practitioner, since under such a model essential procedural functions would in practice be transferred to the debtor itself. In Latvia's view, such an approach reduces the transparency of the procedure, weakens creditor protection and increases the risk of abuse.

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	Accordingly, Latvia does not support the possibility of not appointing an insolvency practitioner in the simplified winding-up procedure and calls for this solution to be deleted from the text of the draft Regulation. PL (Comments): Failing to appoint an administrator in bankruptcy proceedings means that the bankrupt party will make management decisions regarding their assets, which may harm the interests of creditors. This is because one of the administrator's duties is to represent the interests of creditors. PT (Comments): We express serious concern regarding the derogation of the requirement to appoint a judicial administrator (Article 90(2)), which allows the debtor, in certain cases, to remain in possession of the assets without professional supervision, and we consider that paragraph 2 should be removed. In the context of insolvency proceedings, even when simplified, it is not acceptable that they may be conducted without an insolvency administrator. This role is essential to ensure the proper conduct of the proceedings and to uphold legal certainty and security. The general rules governing insolvency proceedings should apply. We consider the presence of a judicial administrator to be essential in order to safeguard creditors' interests and to prevent fraud and abuse, as noted in Recital 82.
Article 91 ***Means of communication***	CZ (Drafting suggestions): **Article 91**

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	~~***Means of communication***~~ EE (Drafting suggestions): ~~**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.	CZ (Drafting suggestions): ~~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.~~ EE (Drafting suggestions): ~~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.~~ EL (Comments): This provision creates legal, constitutional, and practical crises when applied under national legal frameworks and **procedure)**. The core issue is that the absolute word **"all"** leaves zero room for exceptions, leading to vulnerabilities, i.e. the “right to a fair trial and the right be heard”, according to art. 6 ECHR LV (Comments):

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	Latvia considers that the scope of the term "digital" should be further clarified in order to ensure legal certainty and uniform application of the provision across Member States. In particular, it should be specified whether digital communication includes ordinary electronic mail or whether it requires the use of dedicated electronic platforms or other secure communication tools. PT (Comments): At present, insolvency proceedings are already conducted in a fully digitalized manner; therefore, this provision should simply be removed, as it may otherwise be interpreted as requiring the creation of specific or privileged communication channels for simplified proceedings.
Article 92 ***Request for the opening of simplified winding-up proceedings***	CZ (Drafting suggestions): **Article 92** ~~***Request for the opening of simplified winding-up proceedings***~~ EE (Drafting suggestions): ~~**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.	CZ (Drafting suggestions):

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	~~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.~~ EE (Drafting suggestions): ~~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.~~ LU (Comments): LU would like the Commission to confirm whether the EU Inc must also submit to the competent court all the information and documents necessary to enable it to verify that the company met the criteria for being qualified as an innovative start-up at the time of filing for bankruptcy. LU also wonders whether the standard form should be the same for the debtor and the creditor, who does not have the same level of information as the debtor (e.g. list of assets, list of creditors, etc.). LV (Comments): Under Article 92(1), an application for the opening of a simplified winding-up procedure may be submitted either by the EU Inc. itself or by a creditor. At the same time, Article 92(2) provides for the use of a standard form, while Article 92(3) requires a broad range of information to be included in that form, including information on the debtor's assets, creditors and claims. In practice, a substantial part of this information will often not be available to a creditor. As a result, the current framework appears to be tailored primarily to cases where the application is submitted by the debtor itself, rather than by a creditor.

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	In light of the above, the draft Regulation should clearly specify what information must be provided where the application is submitted by a creditor.
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.	CZ (Drafting suggestions): ~~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.~~ EE (Drafting suggestions): ~~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~~ EL (Drafting suggestions): …shall not be compulsory, unless otherwise provided by national law. EL (Comments): Under the **Greek Code of Civil Procedure (Article 94, Paragraph 1)**, representation by a licensed lawyer is **compulsory** in all civil and commercial courts, including the First Instance Courts that handle bankruptcy petitions. Moreover, insolvency is highly technical, and without a professional managing the file, the case will suffer from severe administrative and substantive breakdowns. PT

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	(Comments): With regard to this paragraph, we consider that the general rules on legal representation should apply, in which case representation by a lawyer will not be mandatory under the general principles of law (namely, depending on the value of the claim).
3. The standard form referred to in paragraph 2 shall contain at least the following information:	CZ (Drafting suggestions): ~~3. The standard form referred to in paragraph 2 shall contain at least the following information:~~ EE (Drafting suggestions): ~~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;	CZ (Drafting suggestions): ~~(a) where an EU Inc. innovative startup is a legal person, the debtor's name, registration number, registered office or, if different, postal address;~~ EE (Drafting suggestions): ~~(a) where an EU Inc. innovative startup is a legal person, the debtor's name, registration number, registered office or, if different, postal address;~~

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(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;	CZ (Drafting suggestions): ~~(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;~~ EE (Drafting suggestions): ~~(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;~~ LV (Comments): Article 92(3), point (b), is not sufficiently clear and is not fully consistent with the overall structure of the Regulation. EU Inc. is designed as a corporate legal form with limited liability. It is therefore unclear why this provision refers to a situation where the EU Inc. innovative startup is an "entrepreneur" and requires the indication of personal data such as place and date of birth. In Latvia's view, this wording should be clarified in order to avoid uncertainty as to the scope of the Regulation.
(c) a list of the assets of the EU Inc. innovative startup;	CZ (Drafting suggestions): ~~(c) a list of the assets of the EU Inc. innovative startup;~~ EE (Drafting suggestions): ~~(c) a list of the assets of the EU Inc. innovative startup;~~

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(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,	CZ (Drafting suggestions): ~~(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,~~ EE (Drafting suggestions): ~~(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;	CZ (Drafting suggestions): ~~(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;~~ EE (Drafting suggestions): ~~(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.	CZ (Drafting suggestions): ~~(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.~~

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	EE (Drafting suggestions): ~~(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).	CZ (Drafting suggestions): ~~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).~~ EE (Drafting suggestions): ~~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***	CZ (Drafting suggestions): **Article 93** ***~~Decision on the request for the opening of simplified winding-up proceedings~~*** EE

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	(Drafting suggestions): ~~**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).	CZ (Drafting suggestions): ~~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).~~ EE (Drafting suggestions): ~~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).~~ EL (Drafting suggestions): . ~~as well as on the request, that an insolvency practitioner is not appointed as referred to in Article 90(2).~~ EL (Comments): The provision envisions a "debtor-in-possession" style liquidation where no external practitioner is appointed. **The Problem:** In Greece, the insolvency practitioner (*Σύνδικος*) is not a luxury; they are a vital institutional buffer. They take immediate legal

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	possession of the company's keys, lock the bank accounts, and freeze asset transfers. If a judge rules "without delay" that *no practitioner is appointed*, the company's assets remain under the sole control of the failing startup's directors. This may create a massive window for **fraudulent asset asset stripping** . Dishonest directors can use the lack of an independent practitioner to sell off intellectual property, transfer software code to a new company, or empty bank accounts before creditors can file an injunction. LV (Comments): Latvia considers that the term "without delay" is too vague and may lead to divergent practices across Member States. In order to ensure greater legal certainty and uniform application of the Regulation, clearer deadlines or at least sufficiently precise indications as to the time frame for adopting the decision should be provided. PT (Comments): In light of the national legal framework, this provision is unnecessary, as insolvency proceedings are already considered urgent proceedings per se.
Article 94 ***Stay of individual enforcement actions***	CZ (Drafting suggestions): **Article 94** ~~***Stay of individual enforcement actions***~~ EE (Drafting suggestions): ~~**Article 94**~~

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	~~***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.	CZ (Drafting suggestions): ~~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.~~ EE (Drafting suggestions): ~~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.~~ LV (Comments): Latvia considers that, taking into account the collective nature of the procedure, leaving the stay of individual enforcement actions as a merely optional measure is not fully compatible with the protection of the interests of the body of creditors. Such an approach may weaken the effectiveness of the collective procedure and create unequal opportunities for individual creditors to pursue enforcement actions outside the common framework of the proceedings. PT (Comments): The introduction of an automatic suspension of enforcement actions during the simplified liquidation procedure is not new. Nevertheless, as a precaution, it should be noted that the implementation of this mechanism within yet another form of procedure, and in the context of the interplay between multiple

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	registration systems, requires mechanisms for immediate communication between EU platforms and the IT systems supporting professionals in Portugal, in order to avoid undue measures and unnecessary procedural costs. This will entail additional costs, which should be duly anticipated.
Article 95 ***Lodgement and admission of claims***	CZ (Drafting suggestions): **Article 95** ~~***Lodgement and admission of claims***~~ EE (Drafting suggestions): ~~**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.	CZ (Drafting suggestions): ~~1. When simplified insolvency proceedings are opened, the insolvency practitioner, or in its absence, the debtor, shall prepare a list of creditors and claims.~~ EE (Drafting suggestions): ~~1. When simplified insolvency proceedings are opened, the insolvency practitioner, or in its absence, the debtor, shall prepare a list of creditors and claims.~~

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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.	CZ (Drafting suggestions): ~~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.~~ EE (Drafting suggestions): ~~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.~~ EL (Drafting suggestions): ~~or in its absence, the court or the competent authority~~ EL (Comments): As above (Art 93)
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	CZ (Drafting suggestions): ~~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,~~

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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.	~~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.~~ EE (Drafting suggestions): ~~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.~~ LU (Comments): The 30-day deadline for creditors to lodge their claims seems too short particularly in cases where the creditor is based abroad. LV (Comments): Latvia does not support the approach provided for in Article 95(3) of the draft Regulation as regards the deadline for the submission of creditors' claims. The proposed 30-day deadline is too short and may disproportionately limit creditors' ability to react in time and properly exercise their rights. Under Latvian national law, a creditor may submit its claim within one month from the date on which an entry regarding the opening of legal person

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	insolvency proceedings has been made in the insolvency register. If that deadline is missed, the creditor still has the possibility to submit its claim within a period not exceeding six months from the date of that entry, but no later than the date on which, in accordance with the applicable legal framework, the plan for satisfying creditors' claims or the report on the absence of assets proposing the termination of the insolvency proceedings has been prepared. In Latvia's view, such an approach demonstrates that a more flexible framework for the submission of creditors' claims does not necessarily prolong the proceedings, while at the same time ensuring that creditors are given a sufficient and effective opportunity to submit their claims. Latvia therefore considers that Article 95(3) should be revised by providing for a longer deadline or for an appropriate mechanism allowing creditors to submit claims after the initial deadline in justified cases.
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.	CZ (Drafting suggestions): ~~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.~~ EE (Drafting suggestions): ~~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.~~

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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.	CZ (Drafting suggestions): ~~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.~~ EE (Drafting suggestions): ~~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~~ LT (Comments): In the interest of legal certainty and the uniform application of the simplified liquidation procedure throughout the Member States, it may be beneficial to clarify the meaning of "promptly" by providing for a specific deadline for the examination of disputed claims.
Article 96 ***Decision on the procedure to be used***	CZ (Drafting suggestions): **Article 96** ~~***Decision on the procedure to be used***~~ EE (Drafting suggestions): ~~**Article 96**~~

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	~~***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.	CZ (Drafting suggestions): ~~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.~~ EE (Drafting suggestions): ~~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~~ EL (Drafting suggestions): ~~or in its absence the debtor,~~ EL (Comments): As above PT (Comments): With regard to paragraph 1 of the Article, we consider that this should only be permitted where an Insolvency Administrator is appointed, and the reference

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	to the debtor in the absence of such an administrator should therefore be removed. As previously stated, we cannot agree with the elimination of this role
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:	CZ (Drafting suggestions): ~~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:~~ EE (Drafting suggestions): ~~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:~~ LV (Comments): Latvia considers that the draft Regulation does not sufficiently regulate the subsequent treatment of assets where, pursuant to Article 96(2), the procedure is closed without the realisation of those assets. It is unclear how, after the closure of the procedure, the legal ownership, management or use of the remaining assets would be ensured, and how creditors' interests would be properly and effectively protected in such a situation. PL (Comments): The solution provided for in this provision raises questions about the rationale behind the simplified bankruptcy proceedings themselves, since the absence of any assets in the bankruptcy estate will not result in a refusal to

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	initiate such proceedings, but only in their possible termination after they have been opened. The proposed solution will only serve to generate costs associated with the initiation of proceedings (especially if an administrator is appointed), while failing to satisfy the bankrupt's creditors to any extent.
(a) there are no assets in the insolvency estate;	CZ (Drafting suggestions): ~~(a) there are no assets in the insolvency estate;~~ EE (Drafting suggestions): ~~(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;	CZ (Drafting suggestions): ~~(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;~~ EE (Drafting suggestions): ~~(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.	CZ (Drafting suggestions):

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	~~(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.~~ EE (Drafting suggestions): ~~(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.	CZ (Drafting suggestions): ~~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.~~ EE (Drafting suggestions): ~~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.~~ LU (Comments):

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	LU would like the Commission to clarify why this article does not apply to the debtor when in charge of the realization of the assets. LV (Comments): Article 96(3) clearly provides that, where the realisation of assets is carried out by an insolvency practitioner, the insolvency practitioner must determine the means of realisation and use the electronic auction system provided for in Article 97 for the sale of the debtor's assets, unless this is inappropriate having regard to the nature of the assets or the circumstances of the proceedings. However, an equivalent and clearly formulated obligation is not expressly provided for where the realisation of assets is carried out by the debtor itself. Article 101(2) also places the obligation to inform all known creditors individually of the object, time and date of the electronic auction, as well as of the requirements to participate therein, specifically on the insolvency practitioner, rather than on the debtor. It is therefore unclear from the draft Regulation whether equivalent requirements concerning the sale of assets and the notification of creditors would also apply in cases where no insolvency practitioner is appointed. PL (Comments): The solution set forth in these provisions precludes the sale of the debtor's assets through an electronic auction system in cases where bankruptcy proceedings are conducted without the participation of a trustee. This raises the question of whether this was the drafters' intention. Furthermore, Article 96(3) raises the question of the specific criteria determining which components of the bankruptcy estate may not be liquidated through this system. For the sake of legal certainty and to maintain the consistency of the

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	legal system, it would be advisable to specify expressly which assets will be excluded from sale through such a system.
Article 97 ***Electronic auction systems for the sale of the assets of the debtor***	CZ (Drafting suggestions): **Article 97** ~~***Electronic auction systems for the sale of the assets of the debtor***~~ EE (Drafting suggestions): ~~**Article 97**~~ ~~***Electronic auction systems for the sale of the assets of the debtor***~~ PT (Comments): Electronic auction platforms already exist in Portugal. However, we consider that the systems through which such auctions are conducted should be interoperable with the national platforms already used by professionals in the Member States. It should also be ensured that supervisory authorities are granted appropriate access to these platforms, so that they can effectively carry out their supervisory functions.
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.	CZ (Drafting suggestions): ~~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~~

Commission proposal	Drafting suggestions and Comments
	~~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.~~ EE (Drafting suggestions): ~~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.~~ PL (Comments): There are concerns regarding the consistency of the proposed regulations with national legal standards that impose specific formal requirements for legal acts. Consequently, the conclusion of a contract transferring ownership of the assets referred to in this provision would not require compliance with a specific form, which would undermine the principle of legal certainty. It would be appropriate to clarify in the text of Article 96(3) in fine that these provisions do not apply to cases where the national law of a Member State requires a specific form for the validity of a legal act, or to provide that, in cases where a specific form is required, the result of the electronic auction serves only as the basis for concluding a definitive sales contract in the form required by the law of the Member State in which the asset is located (with the exception referred to in Article 158, sentence 1 of the Civil Code, according to which a contract obligating the transfer of ownership of real property must be concluded in the form of a notarial deed).

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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.	CZ (Drafting suggestions): ~~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.~~ EE (Drafting suggestions): ~~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.	CZ (Drafting suggestions): ~~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.~~ EE (Drafting suggestions): ~~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~~

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Commission proposal	Drafting suggestions and Comments
	~~another Member State shall be able to use electronic identification means, in accordance with Regulation (EU) No 910/2014~~ LU (Comments): LU would like the Commission to explain the rationale behind this provision and particularly why a person not domiciled or registered in the EU cannot access the platform.
Article 98 **Interconnection of the electronic auction systems**	BG (Comments): Financial and personal resources are needed for the technical implementation of the interconnection of electronic auction systems as required by Article 98 of the proposal for a Regulation, as the electronic public auction system operated by the Ministry of Justice Bulgaria is not connected to a central system within the EU. It is worth assessing by IT professionals whether it is interoperable with the European e-Justice Portal (Article 99 requirement). It is also necessary to provide for a longer period to bring the system into line with those requirements. CZ (Drafting suggestions): **Article 98** **~~Interconnection of the electronic auction systems~~** EE (Drafting suggestions): **~~Article 98~~** **~~Interconnection of the electronic auction systems~~**

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Commission proposal	Drafting suggestions and Comments
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.	CZ (Drafting suggestions): ~~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.~~ EE (Drafting suggestions): ~~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.~~ LV

Commission proposal	Drafting suggestions and Comments
	(Comments): Latvia considers that the deadlines provided for in Articles 97 and 98 are not mutually aligned. Under Article 97(1), Member States are required to establish and maintain national electronic auction systems no later than 24 months after the entry into force of the Regulation. By contrast, Article 98(1) provides that the Commission is to establish the system for the interconnection of national electronic auction systems by means of implementing acts only by the last day of the 36th month after the entry into force of the Regulation. Furthermore, Article 98(2) provides that those implementing acts will lay down the technical specifications and procedures necessary to ensure such interconnection. This sequence is not efficient from the perspective of implementation. It means that Member States would be required to develop national systems before the requirements for interconnection at Union level, including the relevant technical and substantive parameters, have been determined. This creates a risk that, once the Commission implementing acts have been adopted, Member States will need to substantially redesign or further adapt the systems already implemented. Latvia therefore considers that the deadlines should be reviewed so that the obligation for Member States to introduce national electronic auction systems is linked to the moment when all implementing acts necessary to ensure interconnection have been adopted and entered into force. PT (Comments): Although this constitutes an obligation of the Commission, further information is required regarding this system for the interconnection of electronic auction platforms, particularly in light of the costs already envisaged for Member States under Article 99.

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Commission proposal	Drafting suggestions and Comments
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:	CZ (Drafting suggestions): ~~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:~~ EE (Drafting suggestions): ~~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;	CZ (Drafting suggestions): ~~(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;~~ EE (Drafting suggestions): ~~(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;~~

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Commission proposal	Drafting suggestions and Comments
(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;	CZ (Drafting suggestions): ~~(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;~~ EE (Drafting suggestions): ~~(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;	CZ (Drafting suggestions): ~~(c) the minimum set of information that shall be made accessible through the central platform;~~ EE (Drafting suggestions): ~~(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;	CZ (Drafting suggestions): ~~(d) the minimum criteria for the presentation of announced auction processes via the European e-Justice Portal;~~

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Commission proposal	Drafting suggestions and Comments
	EE (Drafting suggestions): ~~(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;	CZ (Drafting suggestions): ~~(e) the minimum criteria for the search of announced auction processes via the European e-Justice Portal;~~ EE (Drafting suggestions): ~~(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;	CZ (Drafting suggestions): ~~(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;~~ EE (Drafting suggestions): ~~(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;~~

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Commission proposal	Drafting suggestions and Comments
(g) the means and the technical conditions of availability of services provided by the system of interconnection;	CZ (Drafting suggestions): ~~(g) the means and the technical conditions of availability of services provided by the system of interconnection;~~ EE (Drafting suggestions): ~~(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,	CZ (Drafting suggestions): ~~(h) the use of the European unique identifier referred to in Article 16(1) of Directive (EU) 2017/1132,~~ EE (Drafting suggestions): ~~(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;	CZ (Drafting suggestions): ~~(i) specification of which personal data can be accessed;~~ EE (Drafting suggestions): ~~(i) specification of which personal data can be accessed;~~

Commission proposal	Drafting suggestions and Comments
(j) data protection safeguards.	CZ (Drafting suggestions): ~~(j) data protection safeguards.~~ EE (Drafting suggestions): ~~(j) data protection safeguards.~~
3. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 107.	CZ (Drafting suggestions): ~~3. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 107.~~ EE (Drafting suggestions): ~~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***	CZ (Drafting suggestions): **Article 99** ~~***Costs of establishing and interconnecting electronic auction systems***~~ EE (Drafting suggestions): ~~**Article 99**~~ ~~***Costs of establishing and interconnecting electronic auction systems***~~

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Commission proposal	Drafting suggestions and Comments
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.	CZ (Drafting suggestions): ~~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.~~ EE (Drafting suggestions): ~~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.	CZ (Drafting suggestions): ~~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.~~ EE (Drafting suggestions): ~~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.~~

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Commission proposal	Drafting suggestions and Comments
Article 100 ***Responsibilities of the Commission in connection with the processing of personal data in the system of interconnection of electronic auction platforms***	CZ (Drafting suggestions): **Article 100** ~~***Responsibilities of the Commission in connection with the processing of personal data in the system of interconnection of electronic auction platforms***~~ EE (Drafting suggestions): ~~**Article 100**~~ ~~***Responsibilities of the Commission in connection with the processing of personal data in the system of interconnection of electronic auction platforms***~~ EL (Comments): While data protection obligations are addressed, it could be beneficial to explicitly distinguish and complement data protection requirements with cybersecurity obligations relating to risk management, incident reporting and resilience of the supporting digital systems.
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.	CZ (Drafting suggestions): ~~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.~~ EE

Commission proposal	Drafting suggestions and Comments
	(Drafting suggestions): ~~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.~~ LV (Comments): Article 100 requires further clarification as regards the allocation of responsibility in the event of personal data protection infringements. In particular, the Regulation should define more clearly the respective responsibilities of the Commission and the Member States, including in cross-border situations where data processing and data exchange are carried out between several participating entities. Latvia also considers that the Regulation should provide more detailed safeguards and mechanisms to ensure data security throughout the data exchange process.
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.	CZ (Drafting suggestions): ~~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.~~ EE (Drafting suggestions): ~~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.~~

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Commission proposal	Drafting suggestions and Comments
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.	CZ (Drafting suggestions): ~~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.~~ EE (Drafting suggestions): ~~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.	CZ (Drafting suggestions): ~~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.~~ EE (Drafting suggestions): ~~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.~~

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Commission proposal	Drafting suggestions and Comments
Article 101 ***Sale of the assets by electronic auction***	CZ (Drafting suggestions): **Article 101** ~~***Sale of the assets by electronic auction***~~ EE (Drafting suggestions): ~~**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.	CZ (Drafting suggestions): ~~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.~~ EE (Drafting suggestions): ~~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.~~ LV (Comments): Latvia considers that the draft Regulation should more clearly set out certain basic principles of electronic auctions that would facilitate the swift realisation of assets, in particular where assets are difficult to sell. If the objective of the Regulation is to ensure a fast and cost-efficient winding-up procedure, consideration should be given to providing more flexible

Commission proposal	Drafting suggestions and Comments
	mechanisms for repeated auctions, including the possibility to apply a downward bidding step where this would contribute to the timely sale of assets. In Latvia's view, excessively broad discretion in this respect, without clearer common principles, may lead to divergent practices across Member States and weaken the effectiveness of the procedure.
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.	CZ (Drafting suggestions): ~~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.~~ EE (Drafting suggestions): ~~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.~~ LV (Comments): Latvia considers that Article 101 should be assessed in conjunction with Articles 90, 96 and 97. In particular, it is not sufficiently clear how this Article would apply in the situation currently envisaged in the draft Regulation where no insolvency practitioner is appointed and the realisation of assets is carried out by the debtor itself. Article 101(2) places the obligation to inform all known creditors individually of the object, time and date of the electronic auction, as well as of the requirements to participate therein, specifically on the insolvency practitioner. However, the provision does not lay down an equivalent

Commission proposal	Drafting suggestions and Comments
	obligation in cases where no insolvency practitioner is appointed. It is therefore unclear whether comparable safeguards concerning the transparency of the sale process and the individual notification of creditors would also apply where the debtor itself carries out the realisation of assets. PT (Comments): With regard to paragraph 2, we consider that there may be an error in the underlying assumption, as it refers to the insolvency administrator providing information, but does not provide for the procedure in situations where no insolvency administrator is appointed. Although the explanatory memorandum indicates that the debtor retains control over the business, this does not appear to be reflected in the operative provisions
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.	CZ (Drafting suggestions): ~~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.~~ EE (Drafting suggestions): ~~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	CZ

Commission proposal	Drafting suggestions and Comments
Decision on the closure of the simplified winding-up proceedings	(Drafting suggestions): **Article 102** ~~***Decision on the closure of the simplified winding-up proceedings***~~ EE (Drafting suggestions): ~~**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.	CZ (Drafting suggestions): ~~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.~~ EE (Drafting suggestions): ~~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~~

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	~~extension or when the extended deadline expires, the procedure shall be automatically converted into an ordinary winding-up procedure.~~ LT (Comments): 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". It may be useful to provide further clarification regarding the procedural mechanism by which the simplified liquidation procedure would automatically convert into an ordinary liquidation procedure, including whether such conversion would require the adoption of a separate decision by the court or competent authority. LU (Comments): LU argues that, based on its practical experience, a six-month deadline – even if it can be extended – seems ambitious.
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.	CZ (Drafting suggestions): ~~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.~~ EE (Drafting suggestions): ~~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~~

Commission proposal	Drafting suggestions and Comments
	~~national law leading to the dissolution of the legal personality of the EU Inc. innovative startup~~ LU (Drafting suggestions): 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. LU (Comments): LU suggests deleting 'where the debtor is a legal person' at the beginning of paragraph 2, since EU Inc. is a legal entity with legal personality.
CHAPTER XI – PROHIBITED REQUIREMENTS	
Article 103 **List of prohibited requirements**	BG (Comments): We agree with the non-discrimination requirement of EU Inc., but at the same time it should not be treated favourably than national company forms. We therefore believe that the text should be redrafted in this direction. PL (Comments): The following issues require clarification: • Does the prohibition on discrimination against an EU Inc. company vis-à-vis a limited liability company (sp. z o.o.) set forth in Article 103(1) also cover tax aspects, including an EU Inc. company's access to the preferential treatment provided under the Parent-Subsidiary Directive and the Interest &

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	Royalties Directive (so-called participation exemptions) and the Mergers & Acquisitions Directive (tax neutrality)? • If the prohibition on discrimination under Article 103(1) does not (cannot) cover tax aspects, is it permissible and envisaged in further work on the 28th Regime and EU Inc. is it permissible and envisaged to include, for example, in the final provisions of Chapter XII, amendments to the aforementioned tax directives, which would consist of updating or adapting the annexes containing the lists of legal forms (companies) intended to be beneficiaries of the preferences arising from these directives? • If the 28th Regime draft does not provide for an update of the annexes to the aforementioned directives, is the concept of the EU Inc. company and its proposed structure designed to allow for differentiation in EU Inc. companies' access to tax preferences under the aforementioned directives, depending on the solutions adopted in the national laws of various Member States? • How should the scope of the "no less favorable treatment" principle for EU Inc. companies be interpreted? In its current wording, it is not explicitly stated whether the provision applies to EU Inc. companies registered in a given Member State or to all EU Inc. companies. PT (Comments): We consider this to be a key provision for ensuring the effective operation of EU Inc. companies within the Internal Market. However, it is also necessary to ensure that EU Inc. companies are not given preferential treatment, which would place an excessive burden on domestic companies by comparison.

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Commission proposal	Drafting suggestions and Comments
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.	AT (Comments): It is not entirely clear whether this provision refers to the **national legal form** designated in accordance with **Art. 4(3)**. ES (Drafting suggestions): Delete article 103 ES (Comments): Article 103 should be deleted. It creates legal uncertainty and raises concerns regarding its compatibility with existing EU law (State aid rules, principle of mutual recognition, Services Directive). The choice of a specific legal form and the access to or exercise of economic activities are distinct matters and should not be linked. Requirements applicable to economic activities should be based on the characteristics and risks of the activity concerned, not on the legal form chosen by the operator. Moreover, Article 103 appears to be based on the erroneous premise that companies can be discriminated against on the basis of their legal form. This is not the case under EU law or national laws. The principle of non-discrimination under EU law addresses differences of treatment based on nationality or Member State of origin, not the legal form chosen by an operator. Therefore, Article 103 solves an inexistent problem by creating an unjustified privileged regime for EU Inc. companies, encouraging forum shopping and allowing operators to avoid requirements applicable to other legal forms. PL (Comments):

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	It seems appropriate to clarify the conditions under which different treatment of EU Inc. companies compared to other types of companies is permissible. The current wording, which provides for a derogation if it is "objectively justified and proportionate," is very general and may lead to an overly broad scope of discretion on the part of Member States. To ensure uniform application of the regulation, consideration should be given to specifying that deviations from the principle of equal treatment may be permissible only if, for example, they are justified by overriding reasons of general interest, applied in a non-discriminatory manner, and are necessary and proportionate. This would bring the provision more into line with the existing standard established by the Court's case law on the freedom of establishment. PT (Comments): It is essential to ensure and safeguard that an EU Inc. company complies with all requirements imposed on a domestic company operating under the same conditions.
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:	AT (Comments): Irrespective of the corporate form, all companies remain subject to the applicable national rules governing the exercise of their economic activities, including **market access requirements**, **regulated professions** and **professional qualification rules**. These rules pursue important public-interest objectives and must not be circumvented through corporate-law structuring. Against this background, clarification would be welcome as to whether Art. 103 merely reflects existing **general non-discrimination principles** or whether it is intended to establish **any additional preferential treatment** for EU Inc. companies compared to the national legal forms.

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Commission proposal	Drafting suggestions and Comments
	MT (Comments): One must note that the article does not expressly preserve national employment-law or labour-inspection requirements, “Local representative” prohibition may be too broad, Clarification is being sought as to whether non-discrimination does not prevent Member States from enforcing labour-market rules PT (Comments): With regard to the implementation of the Regulation, due consideration should be given to public programmes and public support schemes that identify the establishment of a company in Portuguese territory as an eligibility criterion.
(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;	PL (Comments): The prohibition on making access to public support conditional on the location of the head office should not limit Member States’ ability to apply objective criteria related to the actual conduct of business activities within their territory. As currently worded, the provision may raise doubts regarding the admissibility of requirements relating, for example, to the location of the investment, the conduct of operational activities, the employment of staff, or the creation of added value in a given Member State. It therefore seems reasonable to explicitly state that Member States retain the ability to shape the conditions of national support instruments in a manner that ensures the effective use of public funds and prevents the creation of purely formal structures (letterbox companies).

Commission proposal	Drafting suggestions and Comments
	With regard to the proposed Article 103(2)(a), attention should also be drawn to the potential risks to cohesion policy. Although the proposed provision is consistent with the freedom of establishment, it could lead to a situation where a Member State is chosen as the place of registration or registered office based on the amount of public support available, rather than the actual place of business operations. In light of the above, it would be reasonable to consider introducing additional provisions, namely linking eligibility for support to the actual place of business and clarifying the criteria for actual business activity. This appears necessary to maintain a balance between the principle of freedom of establishment and the effectiveness and focus of EU cohesion policy. SE (Drafting suggestions): ~~(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;~~ SE (Comments): EU Inc. companies should not receive more favourable treatment regarding public and state aid compared to other types of companies. This part of the article should therefore be deleted.
(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;	

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(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;	AT (Comments): **AML-related issues:** Art. 103(2)(c) prohibits the Member States from requiring the EU Inc to have a local representative or a physical presence in a member state in order to complete a procedure necessary to take up or exercise an economic activity or to obtain an authorisation. As regards legal entities established outside of the European Union, Art. 67 AMLR contains requirements for measures in order to manage and mitigate risks in relation to money laundering and terrorism financing that arise from legal entities established in third countries. This is also reflected in FATF-Criterion 24.3.b which requires countries to take appropriate steps to mitigate risks associated with foreign-created legal persons. Apart from that Criterion 24.10 countries should have a combination of mechanisms to achieve the objective of enabling the competent authorities to obtain and have access to adequate and accurate information on the beneficial ownership and control of foreign-created companies and other legal persons that present risks in relation to money laundering and terrorism financing. Prohibiting Member States from requiring the EU Inc to have a physical presence in that member state could lead to the establishment of shell companies, as mentioned above, and hinder transparency in corporate structures. Due this, Art. 103 contains numerous points of conflict with both the existing AML-framework on EU-level and FATF-Recommendations. PL (Comments): This provision raises concerns. Under Polish law, it is possible for foreign businesses to establish branches. A foreign entrepreneur who avails themselves of this option is required to appoint an authorized representative within the branch to represent the foreign entrepreneur. This solution is primarily dictated by the need to ensure efficient communication between the

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	branch and the foreign entrepreneur, as well as with public authorities, creditors, and business partners, and to facilitate the enforcement of claims. Importantly, this solution also implements the requirements of Directive 2017/1132 on certain aspects of company law, which provides in Article 37 for the obligation to disclose information regarding the appointment and details of persons authorized to represent the company as permanent representatives in the context of the branch's operations. There is concern that such solutions provided for in national law could be deemed incompatible with the regulation on the 28th regime, although at the same time they are consistent with EU regulations in the area of company law (i.e., with Directive 2017/1132 on certain aspects of company law). It is therefore appropriate to delete this portion of the provision. With regard to the requirement to obtain a permit, The provision in this regard does not take into account requirements in regulated/sectoral areas that provide for a requirement to obtain a permit or license, which are justified on grounds of public policy, public security, or public health, i.e., within the scope of restrictions permitted under the Treaty on the Functioning of the European Union (Article 52 TFEU). In view of the above, it is also appropriate to delete this portion of the provision. SE (Drafting suggestions): ~~(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;~~ SE (Comments): This should be deleted in order to not hinder MS to require physical presence by an EU Inc. This proposal might come in conflict with the rules in, for

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	example, the Posting of Workers Directive, and rules in sector specific legislation, such as in the financial sector, but also with national rules enabling the requirement of a physical presence of a representant of the company in order to prevent misuse of the company. If this part of the article is not deleted, it should be made clear in the text that the article is without prejudice to other legal frameworks where a physical presence is required. If an EU Inc. does not have a local representant or a physical presence in the registering Member State, and there is no requirement for such according to other legislation, it should be mandatory for the company to indicate a person authorized to receive service of process.
(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.	

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CHAPTER XII – FINAL PROVISIONS	
Article 104 **Data protection**	EL (Comments): An explicit reference to relevant Union cybersecurity frameworks (e.g. NIS2 and other applicable cybersecurity legislation) would improve legal certainty regarding the security requirements applicable to the digital infrastructure underpinning the Regulation.
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.	AT (Comments): With regard to the **processing of personal data** in general, it is noted that the data controller responsible for the various data processing operations should be identified in each case, and that the regulation should specify as precisely as possible which personal data is to be processed, in order to ensure the predictability of data processing for data subjects within the meaning of Arts. 7 and 8 of the GRC. MT (Drafting suggestions): 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, **provided <u>that it does not preclude lawful sharing with competent labour, employment, social-security and enforcement authorities.</u>** MT

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	(Comments): From a labour-enforcement perspective, Article 104 should not be read as preventing lawful access by competent labour authorities to data needed for enforcement, provided such access is grounded in law and compliant with data-protection principles. If access rights are unclear, enforcement may be delayed. Article 104 is acceptable in principle but should be accompanied by clarification that GDPR compliance does not prevent lawful sharing with competent labour, employment, social-security and enforcement authorities.
	LV (Drafting suggestions): **Article 104 A** **Application of Regulation (EU) 2024/1624 and Directive (EU) 2024/1640** The conduct of customer due diligence, the ensuring of transparency, and the identification of beneficial owners and the availability of related information under this Regulation shall be subject to Regulation (EU) 2024/1624 and Directive (EU) 2024/1640. LV (Comments): Latvia considers that the draft Regulation does not sufficiently clearly address the issue of ensuring transparency of EU Inc. companies, particularly in light of the possibility for such entities to have zero share capital. The proposal does not provide a clear answer as to which Member State and which competent authorities are responsible for enforcing transparency requirements in such cases. This uncertainty creates risks to legal certainty and supervision. We consider that the Regulation should be supplemented with a clear indication that the requirements of Regulation (EU) 2024/1624 on the prevention of the use of the financial system for money laundering and terrorist financing are fully applicable to EU Inc. entities, as well as to any other person or authority to whom these requirements apply in accordance with that

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	Regulation and Directive (EU) 2024/1640. This includes obligations relating to customer due diligence, ensuring transparency, and the identification of beneficial owners and the availability of such information. Such clarification is essential to ensure legal certainty, uniform application of the Regulation across Member States, and to eliminate risks of divergent interpretation regarding the status of EU Inc. entities, while at the same time ensuring compliance with the requirements of Regulation (EU) 2024/1624 and Directive (EU) 2024/1640. In this regard, Latvia emphasizes the need to supplement Chapter 12 of the Regulation with a clear reference by introducing a new article, structured similarly to Article 104, providing for a reference to the applicable Union legislation, and stipulating that customer due diligence, transparency obligations, and the identification of beneficial owners and the availability of information shall be carried out in accordance with Regulation (EU) 2024/1624 and Directive (EU) 2024/1640.
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.	AT (Comments): • Art. 105 refers in a general manner to the accounting law of the Member State of the registered office. From AT's point of view, it would be useful to clarify that the EU Inc. qualifies as a company within the meaning of **Annex I of Directive 2013/34/EU** (Accounting Directive). • Furthermore, if the EU Inc. is intended to engage in banking or insurance activities, it should be clarified – similar to Art. 62 of the SE Regulation – that the relevant **sector-specific accounting directives** also apply. FR

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	(Drafting suggestions): **Without prejudice to sector-specific regulations,** the EU Inc. shall be subject to the requirements of the applicable accounting law**, including financial and sustainability reporting,** 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. FR (Comments): Clarify the conflict-of-laws rule regarding accounting (Article 105). First, regarding the rule on the registered office: we consider that the regulation should not prevent a Member State from requiring compliance with its accounting rules for tax purposes when a branch is subject, under national tax rules, to specific obligations. This point should be clarified. On the other hand, the French authorities point out that the hierarchy applicable under Article 4 applies only to company law in the strict sense, excluding all matters of social, tax, and other law. If Article 105 is intended to constitute an exception to Article 4, it should be clarified that the articles of association may not override the Member State's accounting regulations, even though these are part of company law. In this regard, the second sentence ("Article 26 shall, however, apply…") introduces an obscure clarification that would benefit from being explained by the Commission. In general, the relationship between the regulation and the 2013 Accounting Directive should be clarified comprehensively. In particular, they would like to know the Commission's analysis of the scope of "accounting regulation obligations": accounting standards and obligations regarding the preparation and/or publication of financial statements (annual company or consolidated financial statements, management reports, and even the auditor's report). On this point, in our view, the legal regime governing obligations relating to non-financial reporting (notably the CSRD report) does not fall within the scope of this Regulation

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	SI (Comments): Article 105 of the proposed Regulation provides for the application of the national accounting rules of the Member State of incorporation of the EU Inc. We suggest considering the use of the International Financial Reporting Standards for Small and Medium-sized Entities instead of the accounting rules of the Member State of incorporation. The use of IFRS for SMEs would, in addition to simplifying accounting practices, also be beneficial in terms of preparing financial statements published in accordance with point (h) of Article 25(1) of the proposed Regulation, as no accounting adjustments would be required. Furthermore, the use of IFRS for SMEs would not only simplify the accounting framework applicable to EU Inc., but would also create a harmonised and comparable reporting environment across the EU. Investors would no longer need to analyse and interpret different national accounting regimes, but could rely on a single and consistent set of accounting standards. This would significantly enhance the clarity, comparability, and reliability of financial and accounting information, facilitate investment decision-making in EU Inc., and strengthen the overall feasibility and attractiveness of investing in EU Inc.
Article 106 ***Penalties***	AT (Comments): **AML-related issues:** In our view, Art. 106 requires further clarification. This provision does not necessarily follow the already established process logic of the Austrian Beneficial Ownership Register (WiEReG), as Art. 106 is not primarily aimed at **restoring the lawful state of affairs**. Apart from that, it is unclear who is responsible for determining the type and severity of penalties. If this is left to

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	the Member States to regulate by means of implementing legislation, there will be no harmonization in that regard. If one follows the structure of EU regulations, then sanctions and penalties should be determined on level 1 in order to ensure legal certainty and prevent forum shopping. Apart from that, the purpose behind the penalty provision in Art. 106 should be further clarified. The EU AML framework contains provisions that are primarily aimed at restoring the lawful state of affairs, such as Art. 10 para. 14 and 15 6th AMLD. This is also reflected in Criterion 24.14 of the FATF methodology. PL (Comments): It seems reasonable to consider expanding or clarifying the list of violations subject to sanctions. The current provision requires the establishment of effective, proportionate, and dissuasive penalties, however, the draft does not clearly specify whether the sanctions cover all material violations related to the operation of EU Inc., in particular breaches of duties by members of the representative body, the provision of false information regarding beneficial owners, breaches of disclosure obligations, or failures during liquidation PT (Comments): We support the objective pursued by this provision. However, some aspects of its wording and practical application may merit further reflection. In particular, differences in national sanctioning regimes could potentially influence the choice of the Member State of registration. Moreover, where sanctions remain subject to national law, their deterrent effect may vary across the Union, which could result in different levels of effectiveness in addressing non-compliance.

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	It may therefore be useful to consider whether additional safeguards or a greater degree of consistency in this area could contribute to a more level playing field and to the uniform application of the EU Inc. regime. One issue that arises concerns cross-border enforcement: how can Portugal sanction an EU Inc. with its registered office in another Member State where it fails to comply with registration obligations in Portugal?
1. Member States shall provide for effective, proportionate and dissuasive penalties at least in the case of:	CZ (Comments): We underline the need to clarify the relationship between Article 106 and the possibility for a court to order the dissolution of EU Inc. For further details, see the drafting suggestion and comment under Article 80. ES (Comments): It would be appropriate to establish unified sanctions and not leave their determination to the Member States because it could generate forum shopping. LV (Comments): Latvia would welcome clarification as to whether the term “penalties” in Article 106 should be understood broadly, so as to allow Member States to provide not only for fines or administrative sanctions, but also for other enforcement measures, warnings and non-monetary sanctions under national law. If so, Latvia would see value in making this clearer in the drafting.
(a) a failure to file the documents and information as required by Articles 25 (1), 40 (2), 82, 84 (2), 92 (4);	LU (Comments):

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	Reference to article 92(4) seems to be an error, as the latter relates to the form of request for the opening of simplified winding-up proceedings to be established by the Commission.
(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	

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BRIS committee'). That committee shall be a committee within the meaning of Regulation (EU) No 182/2011.[7]	
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 Parliament and of the Council[8]. That committee shall be a committee within the meaning of Regulation (EU) No 182/2011[9].	
3. Where reference is made to this paragraph, Article 5 of Regulation (EU) No 182/2011 shall apply.	
Article 108 ***Reporting and review***	PL (Comments): It seems appropriate to expand the scope of the Commission's review and reporting to include an assessment of the practical implications of the EU Inc. model for Member States, particularly with regard to the risk of

7 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

8 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

9 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

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	regulatory abuse, the creation of shell companies, the impact on national public support schemes, and the effectiveness of administrative cooperation and information exchange between registries and competent authorities. It is also worth considering including an assessment of the regulation's impact on creditor protection, business transparency, the competitiveness of Member States, and the administrative burden on national authorities, so that the review allows for a comprehensive assessment of how the new legal regime functions in practice.
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.	LT (Comments): The increased ease of cross-border mobility under the Proposal may increase the risk of regulatory arbitrage and forum shopping between Member States. LT suggests that this aspect be taken into account in the post-adoption review provided for under this Article.
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.	

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	MT (Drafting suggestions): MT proposes the introduction of par. 3 **3. The report shall also review whether the regime has caused or facilitated labour-market risks**
Article 109 ***Entry into force and date of application***	NL (Comments): The Netherlands identifies that the proposal is complex and expects considerable consequences and impacts for practice, such as for the national business register, tax authorities and the judiciary. The Netherlands also expects that the regulation requires MS to introduce national law to give effect to the regulation. Currently it is foreseen in the proposal that the Commission will make the necessary templates for BRIS available not before 9 months after the entry into force, which gives the business register *de facto* 3 months to adapt their systems. This is not realistic. A period of 1 year after the entry into force also does not give enough space for an orderly parliamentary process for the necessary national effectuation laws. For these reasons NLD **advocates a significant extension of the proposed date of application**. Moreover, NLD believes that the transposition period should only start after the Commission has adopted the necessary implementing acts and linked legislation, such as the Regulation for European Business Wallets.
This Regulation shall enter into force on the twentieth day following that of its publication in the Official Journal of the European Union.	MT

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	(Drafting suggestions): It shall apply from [*PO: the last day of the **36**~~12~~th 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. MT (Comments): The proposed 12-month implementation window following publication is critically constrained and presents significant operational risks. A successful rollout is contingent upon substantial national IT overhauls, including the necessary acceleration of existing projects such as BRIS5. Furthermore, the proposal's viability relies heavily on the finalization of broader EU frameworks that are not yet settled, specifically the European Digital Identity Wallets and the transposition of Digital Company Law by Member States, alongside pending implementing acts from the European Commission. Given these dependencies, an overly ambitious timeline may result in asymmetrical implementation across the Union; if the "EU Inc" framework becomes operational in only a subset of Member States, it would undermine the core objective of cross-border harmonization and fail to meet stakeholder expectations.
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.	AT (Comments): The extensive **digitalisation requirements** under the proposal entail significant implementation challenges for national business registers and administrative systems. In particular, the envisaged nine-month deadline for the adoption of implementing acts by the Commission would result in an effective implementation period of approximately three months for Member States. Given the scope and technical complexity of the required adjustments,

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	such a timeframe is unrealistic for a coordinated and fully functional implementation across Member States. In AT's view, a substantial revision of the **implementation timelines** is necessary to ensure a feasible, structured and legally secure implementation of the Regulation. BG (Comments): With regard to the period of application of the Regulation, we are of the opinion that 12 months is too short a period. Our business register needs a minimum of 2 years to comply with the register. This is not only about the technical connection of MS registers to the central interface, but also before it reaches the central interface it has to go through a public procurement procedure with the relevant specifications to be taken from the implementing act. In turn, the implementing act has to be adopted within 9 months, which in practice means that MS have 3 months to align their business registers. In this regard, we consider that the deadline for the alignment of business registers should start to run after the adoption of the implementing act. CZ (Drafting suggestions): It shall apply from [*PO: the last day of the ~~12~~24th 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. CZ (Comments): The proposed implementation period is entirely unrealistic given the need for substantial adaptation of national law, development and interconnection of systems.

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	In combination with Article 35, the current wording would mean that Member States and the Commission would have only 3 months for actual technical preparation after the adoption of implementing acts. Given that the Commission has not yet even commenced the mandatory consultations on the implementing acts foreseen in Directive (EU) 2025/25, the proposed timeline seems entirely illusory. If the Regulation were adopted with an unrealistically ambitious implementation period, there is a significant risk that the systems would not be ready at the time of application. This could lead to major practical problems, as users could legitimately expect that EU Inc. can be established, while in fact it could not be. Liability of the EU and Member States for damages could also be envisaged, not to mention significant reputational harm. Already frequent postponement of the application of EU legislative acts due to unrealistic timelines represents a serious interference with legal certainty and undermines the reputation of the EU as a reliable partner. DK (Drafting suggestions): It shall apply from [*PO: the last day of the ~~12~~th **24** months 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. DK (Comments): Denmark notes that a provision whereby the Regulation is to apply 12 months after its entry into force is a very short deadline. This should be seen particularly in light of the IT-related adjustments that the proposal also entails, including the interconnection with the EU Central Interface.

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	This is especially to be seen in accordance with the Commissions right to, in several respects, adopt implementing acts, including in Articles 34-35 and 97 (1 and 2), which lay down the technical specifications for, among other things, the EU Central Interface, no later than 18 months after entry into force. If the implementation deadline is maintained, Member States will have 3-6 months to implement technical specifications from the date of the IA. In Denmark new legislation requires a minimum of 18 months to be transposed into national law from the date of the implementing acts are finished. DK therefore suggests that the implementation deadline is extended to at least 24 months. FI (Comments): FI: A one-year deadline for implementing the regulation would be too tight. The regulation would require both amendments to national legislation and technical implementation. A sufficiently long transposition period, e.g. 24-36 months from entry into force of Regulation or 12-24 months from the Commission Implementing Acts, is needed for Member States' authorities.to practically accommodate the changes. In comparison, the Council Regulation on the Statute for a European Company (SE) was adopted in October 2001 and entered into force in October 2004. The Council Regulation on the Statute for a European Cooperative Society (SCE), in turn, was adopted in July 2003 and became

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	applicable from August 2006. Thus, the implementation period for the above-mentioned regulations was, in practice, three years. It should also be noted that the implementation of Directive (EU) 2025/25 amending company law directives is still ongoing in the Member States, continuing until the summer of 2028, and in part even longer. FR (Comments): We draw attention to the technical challenges associated with setting up the EU central interface, given the operational and budgetary difficulties it entails LT (Drafting suggestions): It shall apply from [*PO: the last day of the ~~12~~**24**th 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. LT (Comments): The Proposal contains several provisions referring to instruments introduced by Directive (EU) 2025/25, including the EU Company Certificate (Article 30) and the EU Digital Power of Attorney (Article 31). The transposition deadline for those instruments is 31 July 2027, while their application is foreseen from 31 July 2028. In our view, the implementation and application timelines of the corresponding provisions of this Regulation should be aligned with the timelines established in Directive (EU) 2025/25. In particular, obligations relying on these instruments should not become applicable before the underlying legal and technical framework is fully operational across Member States.

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	LT supports the objective of adopting this Regulation as quickly as possible. However, a distinction should be made between the adoption of the legal framework and its practical implementation. The successful functioning of EU Inc. will depend on the availability of the necessary digital infrastructure, interoperability between national and EU systems, and the ability of Member States to implement the required technical solutions. In this context, we consider that the implementation period currently foreseen in the Proposal may not provide sufficient time for the development, testing and deployment of the necessary digital solutions at both EU and national level. Therefore, longer implementation and application periods should be considered. A realistic implementation timeline is essential to ensure legal certainty and build confidence in the new framework from the outset. Overly ambitious deadlines could create practical difficulties during its initial application. LV (Drafting suggestions): It shall apply from [*PO: the last day of the ~~12~~ **24**th month ~~after the date of entry into force of this Regulation~~ **following the date of entry into force of all implementing acts**)*]. This Regulation shall be binding in its entirety and directly applicable in all Member States. LV (Comments): The Regulation becomes directly applicable in the Member States 12 months after its entry into force. At the same time, the European Commission's implementing acts are to enter into force 9 months after the entry into force of the Regulation. This means that Member States are effectively left with a period of three months—potentially coinciding with the end of the calendar year—to ensure both the adoption of the necessary amendments to national

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	legislation and the adaptation of national register information systems, as well as the planning and absorption of the corresponding budgetary resources. In addition, it should be emphasised that several requirements contained in the proposal for the Regulation are closely linked to the framework for the establishment of the European Business Wallet. However, the relevant framework at EU level has not yet been adopted and is still at the proposal stage, which creates significant uncertainty as regards the regulatory framework. In view of the above considerations, Latvia identifies substantial concerns regarding the timelines envisaged in the proposal for the Regulation and considers it necessary to review these deadlines. PL (Comments): It is necessary to re-examine the deadline proposed by the Commission for the regulation's application (i.e., one year after its entry into force). It should be emphasized that this deadline should be realistic and tailored to the challenges involved in ensuring the regulation's implementation. In this context, it will emphasize that the draft provides, for example, for the introduction of solutions involving the creation of new technical functionalities that require adaptation by Member States, such as adaptation to a single common interface, which will require time to allow Member States to make the necessary technical adjustments. Regarding the new functionalities of the BRIS system (Article 35), the European Commission is to have 9 months to adopt implementing acts for these changes, which would mean that Member States would have approximately 3 months to adapt to them. A 12-month deadline is—from the perspective of the required changes to the national ICT system—insufficient. A 24-month deadline from the date of publication of the document is appropriate.

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	Poland considers it appropriate that the period after which the regulation is to apply should begin once the Commission has adopted all implementing acts (Article 5 of Directive 2017/17/EU could serve as a model for such an approach). PT (Comments): This implementation period is excessively short and unrealistic. Significant changes to national systems will be required, particularly in terms of IT developments, and projects such as BRIS will need to be accelerated. Furthermore, the proposal is dependent on other EU legislation that has not yet been finalised, such as the implementing acts relating to the European Business Wallet. In addition, Directive (EU) 2025/25 of the European Parliament and of the Council of 19 December 2024 has yet to be transposed into Portuguese law, together with all the related IT developments and functionalities required for its implementation SE (Drafting suggestions): It shall apply from [*PO: the last day of the ~~12th~~ **24th** 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. SE (Comments): A longer period is needed before the Regulation can apply. One year after entry is too short. The regulation requires major technical adaptations at home. Relevant authorities must be given reasonable time to develop and adapt their IT systems. The issue of financing needs to be solved. The Regulation can therefore reasonably start to apply at the earliest two years after its entry into force. Furthermore, it is not reasonable to start

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	applying the Regulation before, e.g. directive (EU) 2025/25 on expanding and upgrading the use of digital tools and processes in company law is implemented or the European Business Wallet is in place. If the Regulation will be changed to a Directive, two years for transposition into national law should be appropriate. SK (Drafting suggestions): We suggest prolonging the term for at least 24 months. The Commission ascertains, that there is not much "work" left for the Member States as most of the technical work is on the side of the Commission. What is of the utter importance is that the national IT system need to be aligned. Also, important elements of the proposal need to go hand in hand with the national regulation changes, Member States need to undergo a legislative process, which also takes some time (even though the proposal is a regulation, legislative changes are still necessary). We also wish to point out that Member States are given only 3 months from the issuance of implementing acts to the application of the regulation. We understand the political pressure. We need to stress that short timeframes have shown as particularly threatening to the good cause any proposal has in mind and cause practical problem. If today we are not able to send notifications on cross-border mergers, divisions or conversions to all Member States, such short timeframes may cause practical problems. We also need to bear in mind that the proposal builds in blocks that are not ready yet and any delay can be problematic.

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	PT (Comments): The proposed timeline appears to be overly ambitious. Consideration should therefore be given to introducing a transitional period to ensure a higher degree of legal certainty and regulatory predictability.
Done at Brussels,	
For the European Parliament *For the Council*	
The President *The President*	
ANNEX	
Minimum content of the articles of association of an EU Inc. company	FI (Comments): FI: In general, under the proposed Regulation, the content of the articles of association is significantly more extensive than and different from that of a national limited liability company. At present the articles of association of national companies are more static than those of the EU Inc. under this proposal. Many pieces of the proposed information could only be required to be reported to the business register without need for the amendment of the

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	articles of association. Under the proposed Regulation, the administrative burden of EU Incs. increases considerably compared to that scenario.
	LT (Comments): The Annex sets out the minimum content of the articles of association of an EU Inc. company. However, LT notes that several elements required by the Proposal are not reflected in the Annex, which may create legal uncertainty for founders. First, the Proposal requires that the articles of association lay down the rules on the organisation and management of the company, including whether directors represent the company jointly or individually (Articles 42 and 43). As these rules may deviate from the default statutory position, LT considers that the minimum content should expressly require their inclusion. Second, where a company is established with multiple classes of shares, the rights and obligations attached to each class must be set out in the articles of association (Article 55). The Annex does not require founders to address this, even where different classes are envisaged. Third, any restrictions on the transfer of shares – such as pre-emptive rights or approval requirements – can only be established through the articles of association (Article 58). Finally, Recital 80 of the Proposal explicitly states that the articles of association must contain provisions on data protection relating to the digital register of shares. This element is absent from the Annex. LT suggests that the Annex be supplemented to reflect these requirements, so that the minimum content list ensures consistency with the substantive provisions of the Regulation. LT further considers that the EU templates for the articles of association should reflect the optimal and most commonly used content, covering the elements that businesses typically need to address. Otherwise, the templates may not fully achieve their objective of facilitating a

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	fast and efficient incorporation process and would not adequately serve the fast-track formation procedure. LT draws attention to a concern regarding the practical scope of the fast-track formation procedure. Based on discussions, it appears that the use of EU templates and the fast-track procedure through the EU central interface would in practice be available only where the amount of capital is EUR 0, as no bank account needs to be opened and no consideration needs to be paid prior to registration. LT considers that this significantly limits the cases in which founders will be able to benefit from the fast-track procedure, and invites to clarify whether this interpretation is correct and, if so, to consider whether the scope of the fast-track procedure should be broadened.
An EU Inc. company shall have articles of association that cover at least the following particulars:	
- the legal form;	
- the name of the company;	HR (Comments): HR Add legal form into company name
- the address of the registered office of the company, including the Member State where it shall be/is registered;	LT (Drafting suggestions): - ~~the address of the registered office of the company, including~~ the Member State where ~~it~~ **the address of the registered office of the company** shall be/is registered; LT (Comments):

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	The Annex to the Proposal requires that the articles of association of an EU Inc. company include the address of the registered office. LT considers that the registered office address is not an appropriate element of the articles of association, as it is data that companies change frequently during their lifetime. Including it in the articles of association means that every change of registered address requires a formal amendment procedure, creating unnecessary administrative burden – contrary to the simplification objectives of the Regulation. In LT, the registered office is maintained exclusively as register data and may be updated without amending the articles of association. This ensures that the information is publicly available and kept up to date, while avoiding formalities associated with statutory amendments. The Member State of registration – a stable element directly linked to the applicable law – could remain in the articles of association. LT therefore suggests consider removing the registered office address from the minimum content of the articles of association and treating it exclusively as register data. LV (Drafting suggestions): ~~the address of the registered office of the company, including the~~ Member State where it shall be/is registered; LV (Comments): Latvia considers that it is not necessary to indicate the registered address of the EU Inc. in the articles of association, since in the event of its change, amendments to the articles of association would be required, which can only be made by convening a shareholders' meeting. Such an approach would also create the need to submit the amended articles of association to the national registers of the Member States each time, thereby creating unnecessary

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	administrative burden both for the company and for the competent authorities, which would have to carry out preventive control of the articles of association.
- the object of the company;	LV (Comments): Latvia cannot support the requirement to include the NACE code in the company's articles of association. The NACE classification is intended for statistical purposes, and its inclusion in the articles of association does not create legal added value with regard to defining the company's field of activity. Such a requirement would not restrict the company's actual commercial activities, as the company may in any case engage in other economic activities, thus creating a discrepancy between the information indicated in the articles of association and the actual activities. Moreover, such an approach may create unnecessary administrative burden, as any changes in the focus of activities would require amendments to the articles of association. Latvia considers that NACE information, if required, should be indicated only for statistical or administrative purposes, but not as part of the articles of association.
- the amount of capital, including where the amount of capital is EUR 0;	BG (Comments): we consider it unacceptable to include in the Annex the requirement of zero capital of EU Inc. The rules on the capital of the company should be regulated in the main part of the Regulation. We are also of the opinion that the EUR 0 capital carries many risks in terms of creditor protection, money laundering, tax fraud, etc. Given the difference between EU Inc. and national limited liability companies (LLCs), namely that EU Inc. is a limited liability company with shares, we consider that EUR 1 capital is also not sufficient to prevent its use for criminal purposes.

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	In addition to the above, it is stressed that according to the guidance to Recommendation 24, the FATF considers the amount of capital as an indirect indicator of risk and in particular the low capital requirements for company registration (EU Inc can be set up with zero initial capital), as a risk factor that can facilitate the use of commercial companies for criminal schemes.
- the total number of shares issued,	LT (Drafting suggestions): - the total number of shares issued, **including the classes of shares and, there the company has multiple classes of shares, the rights and obligations attached to each class,** LT (Comments): where a company is established with multiple classes of shares, the rights and obligations attached to each class must be set out in the articles of association (Article 55)
- where the shares of the company have a nominal value, that value;	
- the subscription of the first shares, including:	
(i) the nature and value of any consideration for the shares;	
(ii) whether any part of the consideration is to be contributed to capital;	
(iii) for any part of the consideration that is not a contribution to capital, the time by which the consideration is to be paid in accordance with Article 64(5);	

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(iv) the identity of the founding shareholder(s);	
- the identity of the first director(s);	
- the date of beginning and end of the financial year.	