

Open Public Consultation on the 28th regime – an EU corporate legal framework

Fields marked with * are mandatory.

Disclaimer

This document is a working document of the Commission services for consultation and does not prejudice the final decision that the Commission may take.

The views reflected on this consultation paper provide an indication on the approach the Commission services may take but do not constitute a final policy position or a formal proposal by the European Commission.

Please note that in order to ensure a fair and transparent consultation process only responses received through the online questionnaire will be taken into account and included in the report summarising the responses.

Introduction

The European Commission's main focus in the current mandate is on enhancing EU competitiveness and promoting economic growth. EU company law plays an important part in this context as one of the key levers to provide companies with a competitive and business-friendly legal environment in the EU.

The January 2025 [Competitiveness Compass](#) announced that the Commission would propose by Q1 2026 “a 28th legal regime to make it possible for innovative companies to benefit from a single, harmonised set of EU-wide rules wherever they invest and operate in the single market, including any relevant aspects of corporate law, insolvency, labour and tax law”. The March 2025 European Council conclusions called on the Commission to propose, “in line with the respective competences under the Treaties, an optional 28th company law regime allowing innovative companies to scale up”.

Companies – in particular innovative start-ups and scale-ups – still face a panoply of challenges in navigating the Single Market and need a comprehensive approach including actions in different policy areas to address them. The Commission [Communication on the Savings and Investments Union](#), adopted in March 2025, already set out a list of measures related to access to finance. The ensuing Strategies on the [Single Market](#) and on [Startup and Scaleup](#) adopted in May 2025 announced measures to make the Single Market a reality and to boost the development of start-ups and scale-up companies in the EU, including the 28th regime. The

Single Market Strategy explained that the 28th regime will provide a single set of rules, potentially in a progressive and modular way, and will include an EU corporate legal framework.

A separate public consultation is also launched in parallel on the European Innovation Act to collect feedback on the challenges faced by innovative companies in a number of areas including access to finance, talents, markets, infrastructures, commercialisation of publicly funded research and innovation, as well as regulatory complexity and administrative burden.

Both the Letta and the Draghi reports called for a 28th regime to support companies, and there is a strong call from the business community, in particular from the start-up companies, for the creation of a new EU legal entity and of a simplified set of rules which would facilitate their operations across the EU.

The future 28th regime will include an EU corporate legal framework i.e. a new set of corporate rules to help companies, in particular innovative ones, to set up, operate and attract investment in the European Single Market. The purpose of this public consultation is to collect feedback from stakeholders on the key challenges faced by companies, in particular start-ups, when setting up and scaling in the EU, including those which should be addressed in the context of the new EU corporate legal framework.

This public consultation consists of the following five parts:

I: Barriers related to corporate law issues

II: Structure and the core elements of the 28th regime companies

III: Simple, flexible and fast procedures and rules for the 28th regime companies

IV: Attracting investment to the 28th regime companies

V: Other issues

The purpose of this public consultation is to collect feedback from stakeholders on the key challenges faced by companies, in particular start-ups, when setting up and scaling in the EU, which should be addressed in the context of the 28th regime. In order to provide a meaningful response, it is important to understand from companies and other stakeholders what are the concrete problems which still hamper start-ups' development in the EU and whether these problems are due to divergence of national rules and a lack of appropriate EU legislation, missing or incorrect implementation of EU rules at national level, or insufficient information and lack of awareness about the existing EU rules.

The results of this public consultation will be summarised in a factual report, which will be published on the Have Your Say website. The results will also be analysed together with other data that is collected through targeted stakeholder consultations and the impact assessment.

It is not mandatory to respond to all questions and the respondents can focus on issues that are of most relevance for them. Only the information in the "About you" section is mandatory to complete. In addition to replying to the questionnaire, the respondents can also upload a file with a more detailed contribution.

About you

* Language of my contribution

- ☐ Bulgarian
- ☐ Croatian
- ☐ Czech
- ☐ Danish
- ☐ Dutch
- ☒ English
- ☐ Estonian
- ☐ Finnish
- ☐ French
- ☐ German
- ☐ Greek
- ☐ Hungarian
- ☐ Irish
- ☐ Italian
- ☐ Latvian
- ☐ Lithuanian
- ☐ Maltese
- ☐ Polish
- ☐ Portuguese
- ☐ Romanian
- ☐ Slovak
- ☐ Slovenian
- ☐ Spanish
- ☐ Swedish

* I am giving my contribution as

- ☐ Academic/research institution
- ☒ Business association
- ☐ Company/business
- ☐ Consumer organisation
- ☐ EU citizen

- ☐ Environmental organisation
- ☐ Non-EU citizen
- ☐ Non-governmental organisation (NGO)
- ☐ Public authority
- ☐ Trade union
- ☐ Other

* First name

Johan

* Surname

Barros

* Email (this won't be published)

johan@accountancyeurope.eu

* Organisation name

255 character(s) maximum

Accountancy Europe

* Organisation size

- ☐ Micro (1 to 9 employees)
- ☒ Small (10 to 49 employees)
- ☐ Medium (50 to 249 employees)
- ☐ Large (250 or more)

Transparency register number

Check if your organisation is on the transparency register. It's a voluntary database for organisations seeking to influence EU decision-making.

4713568401-18

* Country of origin

Please add your country of origin, or that of your organisation.

This list does not represent the official position of the European institutions with regard to the legal status or policy of the entities mentioned. It is a harmonisation of often divergent lists and practices.

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<input type="radio"/> Burkina Faso	<input type="radio"/> Honduras	<input type="radio"/> Norfolk Island	<input type="radio"/> Tokelau
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| <input type="radio"/> Denmark | <input type="radio"/> Liberia | <input type="radio"/> Saint Lucia | |

The Commission will publish all contributions to this public consultation. You can choose whether you would prefer to have your details published or to remain anonymous when your contribution is published. **For the purpose of transparency, the type of respondent (for example, 'business association', 'consumer association', 'EU citizen') country of origin, organisation name and size, and its transparency register number, are always published. Your e-mail address will never be published.** Opt in to select the privacy option that best suits you. Privacy options default based on the type of respondent selected

* Contribution publication privacy settings

The Commission will publish the responses to this public consultation. You can choose whether you would like your details to be made public or to remain anonymous.

☐ Anonymous

Only organisation details are published: The type of respondent that you responded to this consultation as, the name of the organisation on whose behalf you reply as well as its transparency number, its size, its country of origin and your contribution will be published as received. Your name will not be published. Please do not include any personal data in the contribution itself if you want to remain anonymous.

☒ Public

Organisation details and respondent details are published: The type of respondent that you responded to this consultation as, the name of the organisation on whose behalf you reply as well as its transparency number, its size, its country of origin and your contribution will be published. Your name will also be published.

☒ I agree with the [personal data protection provisions](#)

I. Barriers related to corporate law issues

Though substantial progress has been made over the years to remove or reduce barriers to cross-border activity in the single market, including through EU company law rules, the single market still remains fragmented. The calls from stakeholders for a 28th regime point to the fragmentation of legal rules across Member States resulting in complexity and costs for incorporation and operation of companies across the EU. In addition, start-ups point to the fragmentation of rules in different policy areas, including national corporate regimes, that deter start-up companies from successfully scaling-up in the EU. It is also commonly argued that this diversity of national regimes creates constraints for investors and prevents or dissuades investors from financing European companies. Finally, the lack of an easily recognisable EU company brand, which would be known and trusted by investors and business partners is said to create further barriers for companies.

1. Please indicate whether you have experienced any of the following:

- ☐ Have you set up a company?
- ☐ Have you abandoned setting up a company?
- ☐ Have you faced problems with attracting private investment into your company?

2. Please indicate which of the issues below you consider as main barriers for setting up, operating or closing down a company or attracting finance in the EU, and to what extent:

	To a very large extent	To a large extent	To a moderate extent	To a small extent	Not at all	Don't know / no opinion
Different national company law rules and company forms in Member States, such as e.g. GmbH in Germany, SARL in France or BV in Belgium	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Lack of available information about company legal forms and/or the procedure to set up companies in other Member States	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Legal advice needed due to complexity related to different company legal forms and/or the procedure to set up companies in other Member States	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Difficulties related to cross-border groups i. e. to the expansion of the company in other Member States through subsidiaries	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Lack of an "EU brand" for private companies	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Insufficient availability of digital tools and procedures related to setting up of companies	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Insufficient availability of digital tools and procedures related to operation of companies e.g. digital general meetings, online filing	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Insufficient availability of digital tools and procedures related to the closure of companies	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Lack of implementation of the "once-only" principle (whereby company needs to submit the information only once and information is automatically shared between the authorities)	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Divergent company law frameworks in Member States	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Lack of available information about company legal frameworks and/or the procedure to invest in companies in other Member States	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Legal advice needed due to complexity related to different company legal forms and/or the procedure to invest in companies in other Member States	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Complex and non-flexible rules e.g. governing capital increases, shareholder rights, etc.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Insufficient availability of digital tools and procedures to invest in companies	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Language issues	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other issues	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>

3. Given the existing barriers, how do you assess the costs for companies, including innovative companies, start-ups and scale-ups, to set up, operate or close down in the EU?

	Very low cost	Low cost	Moderate cost	High cost	Very high cost	Don't know / no opinion
Administrative burden related to setting up	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Administrative burden related to operating	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Administrative burden related to closing down	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Hassle costs (such as unnecessary waiting time, delays, redundant legal provisions) of setting up	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Hassle costs of operating	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Hassle costs of closing down	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

EU brand for companies: in the context of the calls for a 28th regime, stakeholders also mention the lack of an EU brand for companies, which would be easily recognised and trusted by public authorities, investors and

other companies across the single market. The European Company (Societas Europea, SE) provides a legal form for companies at EU level but it is a European public limited liability company legal form and therefore is rather used by big public limited liability companies.

4. Would establishing an EU-brand - including a distinct name and an abbreviation - for 28th regime companies bring benefits?

- ☐ Yes
- ☐ No
- ☒ Don't know / no opinion

II. Structure and the core elements of the 28th regime companies

Company type for 28th regime companies: The overall call from the business community is for a new company legal form which by its simplified features would help start-ups and innovative companies in particular. A key issue is whether the new company form should have a broad scope and be available for all companies of a specific type, e.g. private limited liability companies (such as Gesellschaft mit beschränkter Haftung-GmbH) or public limited liability companies (such as Société Anonyme-SA) or whether it should have a narrower scope and be available only for a sub-set of companies, e.g. for those private limited liability companies which are “innovative” or those which are start-ups.

Some stakeholders are calling for the new company legal form to have a broad scope and not to be legally restricted to any subset of companies. This is because companies evolve and can quickly outgrow any thresholds or definitions and the need to change the legal form could entail administrative burden and costs. Others argue, to the contrary, that the new company legal form should focus on a more limited subset of companies, in particular innovative ones, for whom more specific and far-reaching substantive provisions might be necessary.

5. In your view, what would be an appropriate company type for the 28th regime companies?

- ☐ Private limited liability company (a company legal form traditionally designed for smaller companies, usually not able to offer shares to the public)
- ☐ Public limited liability company (a company legal form traditionally designed for larger companies, companies listed on regulated markets are normally public companies)
- ☒ Other

Please elaborate:

250 character(s) maximum

Please refer to our attached submission letter for explanation.

Formation of 28th regime companies: Another important question is who can set up a 28th regime company: whether only natural or also legal persons could participate in its incorporation. This determines whether the 28th regime company could be used to create companies which will be part of a group structure. A related question is the minimum number of shareholders. Limiting it to a single shareholder may provide a convenient tool for a parent company to expand through subsidiaries. However, a limitation to a single shareholder could reduce the potential of the 28th regime company to serve as a vehicle for the creation of start-ups. Another question is how a 28th regime company can be formed. This determines whether the 28th regime company would be only for newly created companies (i.e. established “from scratch”) or whether an existing company could also form a 28th regime company, e.g. through converting an existing company into a 28th regime company.

6. Who can set up a 28th regime company?

- ☐ Entrepreneurs who want to set up a company (natural persons)
- ☐ Groups of companies: a parent company sets up a subsidiary (legal persons)
- ☒ Both entrepreneurs and groups of companies (both natural and legal persons)

7. How many shareholders should a 28th regime company have?

- ☐ Only one shareholder (single member company)
- ☐ Minimum one shareholder
- ☐ Minimum two shareholders
- ☐ Other option

8. How can 28th regime companies be set up?

- ☒ By creating a new 28th regime company “from scratch” (new companies)
- ☒ By converting an existing company into a 28th regime company
- ☐ Other methods

Existing companies could become 28th regime companies through:

- ☒ a domestic conversion
- ☒ a cross-border conversion according to existing EU rules

If such conversion is permitted, please specify which types of companies should be eligible:

- ☐ Private LLC (e.g. the German GmbH, the French SARL, the Belgian BV)
- ☐ Public LLC (e.g. the German AG, the French SA, the Belgian NV)
- ☐ Partnerships (e.g. the German OHG, the French and the Belgian SNC)

☐ Other company type

Seat of the 28th regime companies: A 28th regime company will need to be registered in one of the Member States. It is currently left to national law what is required to establish a link between a company and the legal system of the country in which it is formed and registered. In most Member States, having a registered office – i.e. the address of a company as recorded in the business register – is sufficient for that country's law to apply to the existence, internal affairs and dissolution of the company, irrespective of where the company's activities take place. In some other Member States, the company will be required to also have its central administration (head office) in that Member State to be able to be formed and registered there.

9. Should the 28th regime companies:

- ☐ be allowed to have the registered office and the central administration (head office) in different Member States?
- ☐ be required to have the registered office and the central administration (head office) in the same Member State?
- ☐ Other solution

Minimum capital requirements for 28th regime companies: In order to encourage the creation of businesses, the amount of capital required at the time of incorporation should not be a deterrent, but neither should it encourage the creation of non-viable companies. The challenge is therefore to reconcile these two objectives. If it is determined that the minimum capital for the 28th regime companies should be set at a low amount or that no minimum capital should be required, the question arises whether other forms of guarantees for creditors are needed and if so, which ones. In the absence of alternative guarantees, creditors may seek personal guarantees from shareholders or company managers, which would have the effect of largely circumventing the principle of limited liability.

10. In your view, which requirements for minimum share capital should apply to the 28th regime companies?

- ☐ No minimum capital
- ☐ A symbolic amount (e.g. €1)
- ☐ €1000 - €5000
- ☐ €5000 - €10,000
- ☐ €10,000 - €25,000
- ☒ Other

Please explain:

150 character(s) maximum

Please refer to our attached letter for our explanation.

11. Please indicate to what extent you agree or disagree with the following statements about minimum capital requirement:

	Strongly agree	Agree	Neutral	Disagree	Strongly disagree	Don't know / no opinion
Minimum capital requirement creates an administrative burden for companies due to the formal process related to contributions	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Minimum capital is considered by creditors as a necessary protection	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Minimum capital contribution demonstrates shareholders' commitment to their business project	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
As the amount of the minimum capital is not related to companies' size and activity, it is not suited to their real needs	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

12. If minimum capital is set at a low amount or not required for the 28th regime companies, should other safeguards be provided for creditors?

- ☒ Yes
- ☐ No
- ☐ Don't know / no opinion

Please indicate to what extent you agree or disagree that the following safeguards should be provided for creditors of the 28th regime companies:

	Strongly agree	Agree	Neutral	Disagree	Strongly disagree	Don't know / no opinion
Mandatory minimum capital increase in case of a significant annual loss	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Distribution of dividends allowed only if company can pay its planned expenses over a defined period of time	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Allocation of a specific percentage of profits to company's legal reserve up to a predefined amount	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other safeguards	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please specify:

500 character(s) maximum

If the minimum capital is set to a low or no level, the Commission should set up robust, harmonized and pan-European safeguards. Please refer to our attached letter for our full explanation.

Involvement of employees: There are minimum requirements at EU level regarding the information and consultation of employees[1] and those are implemented by Member States in accordance with their national laws and practices on industrial relations. As regards employee participation, i.e. representation of employees on boards of companies, there are no harmonised EU rules and national industrial systems vary greatly, reflecting Member States' socio-political cultures, national legislative framework and social dialogue traditions. 18 Member States provide a national legislative framework for board-level representation rights in the private or public sector companies, with significant variations in the way in which these mechanisms function, including applicable thresholds.

[1]Directives 2002/14/EC and 2009/38/EC.

13. In your opinion, should the 28th regime company be subject to existing national rules (where those exist) on employee participation in the same way as other companies registered in the same Member States?

- ☒ Yes
- ☐ No
- ☐ Don't know / no opinion

Employee participation in case of cross-border mobility of 28th regime companies: Cross-Border Mobility Directive (EU) 2019/2121 set out harmonised rules and procedures – with digitalised steps – for cross-border conversions and divisions and amended the existing procedure for cross-border mergers. The cross-border conversion procedure entails the transfer of registered office from one Member State to another Member State without the company being dissolved or liquidated. These rules aim to facilitate the cross-border mobility for companies while providing effective safeguards for employees, minority shareholders and creditors. The Directive includes rules on the negotiation of employee participation in company boards to ensure that existing employee participation rights continue after cross-border mobility of companies but does not harmonise rules on employees' board-level representation rights.

14. Do you consider that the 28th regime companies should be able to carry out cross-border conversions, divisions or mergers in accordance with existing rules on companies' cross-border mobility (Directive (EU) 2019/2121)?

- ☒ Yes
- ☐ No
- ☐ Don't know / no opinion

Please explain your answer:

1000 character(s) maximum

In principle, the same rules, EU regulatory framework, legislation, Directives, Regulations etc. should apply to 28th regime companies as to others.

III. Simple, flexible and fast procedures and rules for 28th regime companies

Start-ups and innovative companies in general are often digital-native, their operations are usually characterized by flexibility and a strong online presence and they often operate in English. Therefore, they call for faster, quicker and more digital procedures throughout the company life cycle from the set up to operations and eventual closure. They stress the importance of providing one single contact point and procedures being fully in English.

15. Do you consider that all tools and processes for the 28th regime companies should be fully digital, without paper-based alternatives?

- ☐ Yes - all procedures should be only online.
- ☐ No - all procedures should be online, but a paper-based / offline option should be available in parallel.
- ☒ Partially - Procedures should be primarily digital but with some exceptions.

Please explain your answer:

500 character(s) maximum

We support a 'tilted hybrid' option of digital being the direction and emphasis, but with paper-based alternatives as a back-up and a transitional measure. Please see our attached letter for our full explanation.

Online setting up of companies: Under the existing EU company rules, it is possible to set up a private limited liability company fully online in all Member States and some time limits for the formation of the company must be respected. This means that it should be possible for entrepreneurs to carry out the whole process of establishing a company, including drawing up of the instrument of constitution (founding document) and all the

necessary steps to enter the company in the business registers, directly or through possible intermediaries (such as notaries and other legal professionals), fully online. However, stakeholders, in particular the start-up business community, still mention obstacles to setting up a company fully online and underline the need for an even faster and more flexible registration system. In this context, as an example of a more streamlined approach, some stakeholders point to systems used in other jurisdictions, where registration procedures for foreign founders are handled by authorized/registered agents.

16. In your opinion, what are the main barriers that make it difficult to set up private limited liability companies fully online, including related formalities, in the EU?

	Strongly agree	Agree	Neutral	Disagree	Strongly disagree	Don't know / no opinion
The EU rules on fully online setting up of companies are not implemented fully / correctly	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Companies are not aware of the existing rules and possibilities to set up a private limited liability company fully online	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Technical solutions are not user-friendly and do not function properly	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
It is not possible to carry out all the steps for the formation of a company fully online	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
It is not possible to carry out all the steps for the formation of a company without the involvement of intermediaries	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
It is not possible to carry out all the steps for the formation of a company in English	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The process to form a company takes too long	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
It is burdensome/time-consuming to have to submit company information separately to other authorities than the business registers (e.g. for tax purposes)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other barriers	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

17. In your opinion, would the following digital tools and solutions contribute to a fast and efficient setting up of 28th regime companies and to what extent?

	To a very large extent	To a large extent	To a moderate extent	To a small extent	Not at all	Don't know / no opinion
Providing a single access point/single interface/one-stop-shop to register the 28th regime companies in the EU	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Introducing a single, harmonised registration form for the 28th regime companies	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Ensuring that the information submitted by the 28th regime companies for registration is shared with other authorities relevant for the registration (once-only principle)	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other digital tools and solutions	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>

Electronic identification and signatures: Under the existing EU law, the fully on-line setting up of private limited liability companies, registration of cross-border branches and filing of company information with the business registers rely on the EU Digital Identity Framework for the electronic identification that allows for instant and secure identification of individuals acting on behalf of a company, without the need for physical presence or manual verification by national authorities. Equally, these fully online procedures encompass the use of trust services such as electronic signatures in line with the [eIDAS Regulation \(EU\) No 910/2014](#). However, some stakeholders, and in particular the start-up business community, still mention issues with their use and call for seamless use of electronic signatures and integrated identity verification processes allowing them to quickly verify their identity.

18. Based on your experience, are there still issues regarding electronic identification of persons when setting up a company online or carrying out other online procedures by companies in another Member State?

- ☐ Problems related to the recognition and/or acceptance of the electronic identification
- ☐ Lack of clarity and guidance on the use of electronic identification in company registration and filing procedures
- ☐ Technical problems when using electronic identification
- ☐ Limited availability of electronic identification solutions

- ☐ Other issues
- ☐ None of the above

19. Based on your experience, what are the remaining problems regarding the use of electronic signatures when setting up a company or carrying out other online procedures by companies in another Member State?

- ☐ Problems related to the recognition and/or acceptance of the electronic signatures
- ☐ Costs associated with obtaining and using electronic signatures
- ☐ Lack of clarity and guidance on the use of electronic signatures in company registration and filing procedures
- ☐ Technical problems when using electronic signatures
- ☐ Limited availability of electronic signature solutions
- ☐ Concerns about the security and integrity of electronic signatures, such as the risk of fraud or tampering
- ☐ Other problems
- ☐ None of the above

The European Business Wallet will further facilitate – and make it simpler and more digital – the way companies interact, including with public administrations. The January 2025 Company Law Directive, which Member States still need to transpose into their national laws, already provides that the EU Company Certificate, that is an EU corporate ID card, and the European Digital Power of Attorney, are compatible with the Wallet and can be used in it. The existing European Unique Company identifier (EUID) will help ensure the seamless digital communication with authorities, thus reducing burdens on companies in the context of the forthcoming Wallet.

20. In your opinion, how could the 28th regime companies benefit from the future European Business Wallet to ensure seamless and quick digital procedures for these companies?

500 character(s) maximum

The Instrument of Constitution and the Articles of Association are basic legal documents in the formation of a new company and they provide legal certainty, transparency and predictability for founders and third parties dealing with the company. Together, they establish the company's legal identity and internal governance framework. The Instrument of Constitution formalises the founders' intention to create the company and includes essential information such as the company name, registered office, legal form, and

share capital. The Articles of Association set out the rules governing the company's internal functioning, including provisions on management structure, decision-making processes, rights and obligations of shareholders, share transfer rules and profit distribution. In some Member States, there is only one document serving both purposes. An EU-wide template for instrument of constitution and articles of association for 28th regime companies could simplify their registration process and provide a faster and simpler way to form a company. However, it may result in reduced flexibility and limit the 28th regime companies' ability to tailor their governance to specific needs. Over time, companies may need to amend their Articles of Association to adapt their governance or structure to their different circumstances or different stage of development. However, the lack of simple, fully online and flexible company law procedures to make such amendments may make this process difficult and burdensome.

21. In your view, what would be the most appropriate approach for 28th regime companies?

- ☐ **A standardised template of the Instrument of Constitution / Articles of Association should be mandatory for 28th regime companies:** founders would need to adopt a standardised template of Articles of Association when they register 28th regime companies.
- ☐ **A standardised template of the Instrument of Constitution / Articles of Association should be mandatory for 28th regime companies but with some flexibility:** founders would need to use a standardised template when they register 28th regime companies but could choose from a list of pre-determined optional clauses (e.g. voting rights, profit distribution, board rules) to adapt it to their needs.
- ☐ **A standardised template of the Instrument of Constitution / Articles of Association should be optional for 28th regime companies:** founders could choose between a standardised template of Articles of Association or tailor-made Articles of Association when they register 28th regime companies based on their specific needs.
- ☐ Other approach

22. Given that there is a trade-off between the use of a standardised template of Instrument of Constitution / Articles of Association, which can ensure faster set-up, and flexibility, which one do you consider more important?

- ☐ Prioritise **faster company registration** through a fully standardised template, even if this limits the founders' ability to customise governance structures.

- ☐ Allow founders **flexibility to tailor** their **Instrument of Constitution / Articles of Association** to their specific needs, even if this can result in longer registration times and lack of uniform Instrument of Constitution / Articles of Association across the EU.
- ☐ Other

23. To what extent do the following issues cause practical difficulties when companies want to amend their Instrument of Constitution / Articles of Association?

	To a very large extent	To a large extent	To a moderate extent	To a small extent	Not at all	Don't know / No opinion
Lack of fully digital procedures	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Lack of online general meetings	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Challenges with the identification of shareholders from other Member States or third countries in online general meetings	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Limited acceptance of electronic signatures across jurisdictions (either from Member States or third countries)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The adoption of amendments takes too long due to the involvement of intermediaries to process those	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The adoption of amendments takes too long due to other formalities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Lack of clarity about the applicable legal framework governing the procedure to amend the Instrument of Constitution / Articles of Association (e.g. about required steps, authorities or intermediaries involved, and the timeline for approval and registration)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
No English language version of a template for the Instrument of Constitution / Articles of Association	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other issues	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Online shareholders' general meetings / online board of directors' meetings: Fully online and hybrid participation in general meetings of shareholders is increasingly common, yet practices vary across Member States. Online general meetings can simplify and render the decision-making faster and make it easier for foreign shareholders to participate. However, the online general meetings also pose specific challenges such as the identification of each shareholder or of its proxy, or how to guarantee secure and transparent voting by shareholders in the meeting. Similar considerations apply to the meetings of boards of directors.

24. In your opinion, do companies currently face problems to hold meetings online?

- ☐ Yes
- ☐ No
- ☐ Don't know / no opinion

25. In your opinion, how should the shareholders and directors be able to participate and vote in the company meetings:

	Only online	Only in person	Hybrid mode (participation possible both online and physically)	Other	Don't know / no opinion
Shareholder participation and voting in general meetings	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Directors' participation and voting in the board of directors' meetings	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

26. How should the rules about the format of the general meetings or meetings of the board of directors of the 28th regime companies (i.e. whether they are virtual, in-person, or in hybrid mode) be defined?

- ☒ The 28th regime companies should be able to decide on the format of the general meetings and meetings of the board of directors in their Articles of Association
- ☐ The format of the general meetings and meetings of the board of directors of the 28th regime companies should be regulated by law
- ☐ Other

27. Do you believe that technologies like Distributed Ledger Technology (such as blockchain) could support 28th regime companies in improving key corporate functions, such as share issuance, transfer and trading of shares or decision-making processes?

- ☐ Yes
- ☐ No
- ☐ Don't know / no opinion

Closing a company can present significant challenges for startups and small businesses. Obstacles, such as e.g. complex administrative procedures, lack of procedural harmonisation across Member States, burdensome obligations involving multiple authorities and costs, may discourage founders from quickly and efficiently concluding winding up procedures and prevent them from redirecting their attention and resources to new business projects.

28. To what extent do you consider the following issues to be barriers to the efficient closure of a company in the EU?

	To a very large extent	To a large extent	To a moderate extent	To a small extent	Not at all	Don't know / no opinion
The absence of a simplified / harmonised procedure for winding-up a company	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Impossibility to carry out all the steps for the closure of a company as regards the business register fully online	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Impossibility to carry out all the steps for the closure of a company without the involvement of intermediaries	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Impossibility to carry out all the steps for the closure of a company in English	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Technical problems – lack of user-friendliness or functional problems with technical solutions	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The process to close a company takes too long	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The need to notify several authorities separately	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other issues	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

IV. Attracting investment to 28th regime companies

Access to finance: Access to finance is a critical factor in the growth and development of companies, particularly of those that are innovative and fast-growing. The legal and structural characteristics of a company can significantly influence its ability to attract capital, whether from private investors, financial institutions, or public markets. In practice, many companies, especially startups and SMEs, continue to face fragmented national rules, paper-based formalities, and legal or administrative complexity when seeking to bring new investors into the company or carry out capital increases. In this context, it is important to consider how the proposal could support better access to funding from various sources.

While Directives (EU) [2019/1151](#) and [2025/25](#) have significantly advanced the digitalisation of company law procedures in the EU, other critical procedures, such as those related to raising external investments and increasing share capital, have not yet been digitalised to the same extent. Making the capital increase procedure swifter, simpler and fully digital, could encourage new investors seeking to acquire shares and help to foster a more dynamic and competitive environment for equity investment in start-ups.

This section of the consultation is complementary to measures aimed at promoting equity investments by institutional investors announced under the Savings and Investments Union Strategy.

29. In your experience, what are the main barriers to attracting private investments – e.g. through a capital increase – particularly when the investor is based in another Member State or in a non-EU country?

	For companies	For EU Investors	For Non-EU Investors	Don't know / no opinion
The need to involve intermediaries and follow in-person procedures when the general meetings give approval to capital increases	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Time-consuming procedures to increase capital	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Difficulties in verifying investor/shareholder identity remotely, including in the context of the participation in the general meeting	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Language and translation requirements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Time-consuming procedures for foreign investors in the context of obtaining the tax identification numbers (TIN)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
High administrative or legal costs associated with the capital increase procedure	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Lack of (available) information about shareholders' rights, in particular in case of foreign investors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Legal uncertainty or lack of clarity regarding required steps of a capital increase procedure	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lack of cross-border platforms used for issuance and transfer of SME and start-up securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other barriers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

30. To what extent would the following measures help reduce or eliminate the practical barriers to attract and enable capital increase and other investments?

	To a very large extent	To a large extent	To a moderate extent	To a small extent	Not at all	Don't know / No opinion
Enabling capital increases of 28th regime companies to be carried out fully online, including online participation in general meetings and voting.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Introducing harmonised procedures across the EU for capital increases of the 28th regime companies	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Providing standardised templates, for example for a general meeting resolution related to capital increase decisions.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Simplifying the procedure to issue a tax identification number (TIN) for foreign investors.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other measures	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Private contractual instruments: such instruments enable investors to commit capital in advance of actual share issuance and could help to create more agile and competitive environment for equity investment in non-listed companies. This include contracts like “Simple Agreements for Future Equity” (SAFEs), which are very popular in the United States and are also already used in some EU Member States, e.g. in France: Bon de Souscription d'Actions par Accord d'Investissement Rapide (BSA AIR), as well as convertible notes, which combine features of debt and equity and are also well used in early-stage financing. These agreements allow company's directors to enter into agreements with investors about private equity financing in exchange for a capital increase and issuance of new shares in the future under pre-defined conditions (e.g., valuation caps, discounts, conversion events). These agreements make it possible for companies to raise funds quickly without issuing shares immediately, reducing costs and speeding up investment, which can be particularly

useful for start-ups. However, they may dilute the existing shareholdings, limit pre-emptive rights and create uncertainty around valuation and transparency when converted into equity.

31. Should directors of the 28th regime companies be authorised - either by the general meeting of shareholders or through the articles of association - to negotiate and implement private equity investment agreements such as the US SAFEs or the French BSA AIR?

- ☐ Yes
- ☐ No
- ☐ Under certain circumstances
- ☐ Don't know / No opinion

32. Should an optional standardised model/template for such private equity investment agreements be developed for the 28th regime companies to facilitate their early-stage financing across the single market?

- ☐ Yes
- ☐ No
- ☐ To some extent / under certain circumstances
- ☐ Don't know / No opinion

Multiple classes of shares: Multiple classes of shares enable companies to tailor equity structures to meet the diverse needs of founders, employees, and external investors. Therefore, they could be useful for the 28th regime companies in order to demonstrate flexibility and ensure that they are attractive and capable of supporting business growth. This flexibility could facilitate access to private capital, reward long-term commitment, and manage voting rights in a way that supports both decisional control and investment objectives. Shares may include ordinary shares and privileged shares that could offer specific rights or advantages, economic, voting-related or governance-related, etc.

33. Should the 28th regime companies be able to issue multiple classes of shares?

- ☐ Yes
- ☐ No
- ☐ To some extent / under certain circumstances
- ☐ Don't know / No opinion

34. Do you think that the use of multiple classes of shares could bring the following benefits for the 28th regime companies?

	Strongly agree	Agree	Neutral	Disagree	Strongly disagree	Don't know / no opinion
Make the 28th regime companies attractive to investors	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Make the 28th regime companies attractive for entrepreneurs/start-ups	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Facilitate the use of tailored shareholders' agreements	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Attract highly skilled employees and provide motivation for a long-term engagement	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other benefits	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Share transfer restrictions: Restrictions on the transfer of shares in limited liability companies—such as pre-emption rights, shareholder approval clauses, or temporary transfer prohibitions (lock-up periods)— can play an important role in preserving internal cohesion, protecting minority shareholders and encouraging long-term commitment. At the same time, allowing 28th regime companies to freely transfer shares can support a more open structure, attract external investment and enable access to broader markets.

The **pre-emption rights** ensure that, when existing shareholders wish to transfer their shares, the other shareholders have priority to purchase them, before the shares are offered to third parties. The **right of shareholders to approve** the entry of a new investor/shareholder grants shareholders the right to approve or reject the transfer of shares to an external investor. The **temporary transfer prohibition (lock-up period)** prohibits the sale or transfer of shares for a specified period (e.g. during the early years of the company or until certain milestones are reached).

35. In your opinion, should the 28th regime companies be able to freely transfer shares without any restrictions?

- ☐ Yes
- ☐ No
- ☐ Don't know / no opinion

36. In case restrictions would be necessary, which type would be preferable?

- ☐ Pre-emption rights
- ☐ Right of shareholders to approve a new shareholder
- ☐ Temporary transfer prohibition (lock-up period)

Financing channels for 28th regime companies: Obtaining funding through private or public financing rounds resulting in capital contributions is an important mechanism for strengthening the financial position of a company. The suitability and accessibility of the various available financing channels may depend on several factors, including the company's stage of maturity, size and pace of growth, legal form (private or public limited liability company), etc. Different sources of equity financing—such as seed funding, angel investment, venture capital financing, or even public offerings—may become relevant at different points in a company's development. Depending on the Member States, private limited liability companies may face barriers in accessing different financing channels.

37. What would be, in your view, the preferred financing channels for 28th regime companies?

	To a very large extent	To a large extent	To a moderate extent	To a small extent	Not at all	Don't know / No opinion

Capital contributions from new shareholders or private investors , including, but not limited to, business angels, venture and growth capital funds, corporate venture capital, and other private equity actors who may contribute funds in exchange for ownership or profit-sharing rights	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Equity-based crowdfunding	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Access to SME Growth Markets	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Admission to other Multilateral Trading Facilities (private platforms that allow for the trading of equity instruments under flexible but regulated conditions)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Admission to regulated Stock Markets: full public listing on a regulated exchange (e.g. the main markets of national stock exchanges), subject to compliance with the more stringent requirements of transparency, governance structures and reporting.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Debt funding (e.g. loans, bonds, etc. including access to debt exchange markets for the issuance and trading of debt securities)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other financing channels	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Access to regulated public markets: A common challenge for startups and innovative companies in the EU is the difficulty of scaling up—in particular, attracting significant follow-on investment and expanding into international markets. As these companies mature, their capital needs increase, and many eventually seek access to regulated public markets as a means to fund their growth and offer investors a clear exit opportunity. However, listing on a regulated market comes with significantly stricter legal, financial, and governance requirements (e.g. in terms of transparency, reporting obligations, shareholder rights, and corporate governance). These may contrast with the more flexible and simplified regulatory framework typically associated with private limited liability companies.

38. Do you consider that the proposal should include provisions to facilitate the eventual access of a 28th regime company to regulated markets as the company grows?

- ☒ Yes
- ☐

No

☒ Don't know / no opinion

Please explain your answer:

1500 character(s) maximum

Many companies evolve from early-stage ventures into mature, investment-ready firms, and a clear, streamlined pathway to listing would provide legal certainty and encourage long-term planning. Facilitating this transition, whether through alignment with EU listing rules or SME Growth Markets, could enhance the attractiveness of the regime and reduce the friction typically associated with legal restructuring or re-incorporation before accessing public capital markets.

V. Other issues

In addition to issues related to corporate law, companies – in particular innovative ones, startups and scaleups – also face obstacles in other areas when operating or trying to expand across the Single Market. In this section, you are invited to elaborate, based on your information or direct experience, on the obstacles that companies may encounter in relation to rules related to insolvency, taxation, employment, or other issues that might help make a 28th regime an attractive option for businesses. Such issues could be addressed in a progressive way through a modular approach.

Insolvency

The existing Restructuring and Insolvency Directive (2019/1023/EU) ensures full discharge of debts for insolvent or overindebted, but honest entrepreneurs within three years; however, it allows certain debts to be excluded from the discharge, which some Member States use to exempt debts of entrepreneurs towards public authorities from their discharge. The proposal for an Insolvency Directive ([COM/2022/702 final](#)), which is currently under negotiation in the EU legislative process, contains a set of rules on simplified insolvency proceedings for micro-enterprises, with possible extension also to small and medium enterprises. The main motivation of a dedicated simplified insolvency liquidation regime for microenterprises, or possibly also for small and medium enterprises, including start up or scale up enterprises, would be to reduce the costs of the procedure, as traditional insolvency procedures are administratively burdensome and entail legal costs that many defaulting enterprises below certain size are not able to cover. Such simplified insolvency liquidation regime could also contribute to the elimination of structural penalties and cultural stigma associated with startup failure and is demanded by innovative business stakeholders. In addition, the proposal also guarantees access to full discharge of debt for honest entrepreneurs, including asset-less cases in which the opening of insolvency proceedings is currently refused in many Member States.

39. Beyond the existing Restructuring and Insolvency Directive and the proposal for Insolvency Directive currently in the negotiations, what are the main obstacles related to insolvency for companies, especially when they do business in more than one EU country?

Please explain, including how those issues could be addressed and whether possible measures in the area of insolvency or in its vicinity could apply to specific types of companies (such as innovative companies or start-ups):

1500 character(s) maximum

Taxation

Startups and scaleups operating across multiple EU jurisdictions may face significant tax compliance complexity and reporting burdens, including multiple tax filing requirements and fragmented tax incentives.

40. What are the main obstacles related to taxation for companies, especially when they do business in more than one EU country? Please explain:

1500 character(s) maximum

The main tax-related obstacles for companies operating in more than one EU country are many, and include inconsistent VAT rules and rates, diverging interpretations of permanent and fixed establishments, absence of cross-border group relief, differing tax treatments of employees and controlling shareholders, and varying filing deadlines, documentation requirements, and direct tax rules. These disparities create significant compliance burdens, increase legal uncertainty, and can discourage cross-border expansion particularly for SMEs. While a 28th regime might struggle to eliminate these obstacles outright, especially given Member States' tax sovereignty, it could contribute by promoting more predictable tax treatment and reducing administrative friction. For example, following the Pan-European Personal Pension Product's (PEPP) model, 28th regime companies could be subject to the national tax rules of their main establishment, with additional EU-level guidance or coordination mechanisms to ensure consistent application. Ultimately, meaningful tax simplification would likely require parallel initiatives under specific EU tax legislation. The upcoming tax omnibus, in particular, could help here.

41. Are there any potential tax measures, including tax incentives, that you would consider helpful to support the future 28th regime's goal of allowing start-ups and scale-ups to develop in the EU? Please explain:

1500 character(s) maximum

Any tax measures or incentives under the 28th regime should be grounded in solid evidence and policy evaluation. Many existing national tax incentives, such as R&D credits, investment allowances, or startup reliefs, have shown mixed effectiveness in terms of promoting growth, innovation, or job creation. We would therefore encourage the Commission to conduct a thorough review of existing Member State schemes to assess what works, what doesn't, and why. Rather than introducing new EU-level tax incentives, the focus

could be on improving coordination and transparency across Member States, reducing administrative burdens, and ensuring fair access to existing schemes for cross-border startups and scale-ups. For example, one possibility could be to introduce something similar to the Head Office Tax System for SMEs (HOT) for 28th regime companies, but unlike HOT this should also include subsidiaries in the framework's scope. Incentives, if used, should be simple, targeted, time-limited, and accompanied by rigorous cost-benefit analysis to ensure value for taxpayers and a level playing field in the Single Market.

Employment

When companies are active and have employees in more than one EU country, they need to comply with different national labour laws, including possibly different requirements and procedures. The resulting complexity and legal uncertainty can discourage them, and in particular SMEs and start-ups, from expanding and recruiting staff in different Member States.

42. What are the main obstacles related to employment for companies, especially when they do business in more than one EU country and employ people in various Member States? Please explain:

1500 character(s) maximum

43. Are there any potential employment related measures that you would consider helpful to support the future 28th regime's goal of allowing start-ups and scale-ups to develop in the EU? Please explain:

1500 character(s) maximum

Cost of failure

Company failure involves a range of costs, both financial and non-financial. According to the Draghi report, EU companies face higher restructuring costs compared to their US peers, which places them in a position of significant disadvantage in highly innovative sectors characterized by risk taking and winner-takes-most dynamics. The associated costs result from a range of factors including regulatory and cultural ones. Financial losses typically include unrecovered investments, outstanding debts, and closure-related expenses (e.g. redundancy payments, voluntary liquidation or insolvency proceedings) and vary in particular depending on the company's size and sector. Non-financial costs, such as reputational damage and stigma, can significantly impact an entrepreneur's willingness or ability to start again. In this context, cultural differences also play a

role. While for example, in the U.S., failure is often seen as a learning experience that supports risk-taking and serial entrepreneurship, in many European countries a business failure is seen as a personal failure and often discourages re-entry into the market.

44. What are the main problems related to cost of failure for companies in the Single Market? Please explain:

1500 character(s) maximum

45. Are there any potential measures that you would consider helpful to reduce the financial and non-financial cost of failure? Please explain:

Employee Stock Options (ESOs)

Many companies, in particular from the start-up community, stress the importance of being able to attract staff across the EU, in particular by being able to offer employee stock options to the prospective employees, given that start-ups might not have the cash flow to offer competitive wages. However, they often find it difficult to distribute stock options to employees in different countries given the divergent national approaches and rules, including on taxation. In the tax treatment of employee stock options, there are in particular differences as regards the timing of taxation – with taxation occurring at various stages of the stock option lifecycle – and classification of income received from ESOs. The public consultation on the European Innovation Act also includes questions on ESOs. The Commission will take into account the replies to both consultations in its future work on this topic.

46. In your view, which companies would most need rules to facilitate the use of employee stock options or similar equity-based instruments for their development across the EU?

- ☐ Startup companies
- ☐ Scaleup companies
- ☐ Innovative companies
- ☐ Other
- ☐ Don't know / no opinion

47. What are the main barriers that companies face when trying to use employee stock options (ESOs) or similar equity-based instruments to attract and retain talent? Please explain:

1500 character(s) maximum

Steward-ownership – asset lock

Steward-ownership refers to legal structures with two core principles: self-governance and profits dedicated to serving the mission of the entity. Steward-ownership including a permanent asset lock ensure that these entities prioritise their long-term purpose over the short-term profits. Traditionally, such models have been used in non-profit entities. Non-profit entities (such as foundations or trusts) are already used in groups of companies. Today, similar ideas are being explored with regard to for-profit companies. A company may pursue a public benefit/social purpose or a commercial purpose. The asset lock model prohibits the distribution of profits to shareholders, including external investors, and restricts the transfer of assets as all profits should be reinvested in the company. The asset lock is a permanent mechanism and cannot be removed for example through a conversion of an asset lock company into a non-asset lock company. It is also argued that in addition to other policies such as competition policy, a permanent asset lock could contribute to ensure that EU companies would not be acquired by foreign entities and/or move outside the EU and thus help to address the problem of “killer acquisitions” (whereby innovating companies are acquired by incumbents).

48. In the context of EU initiatives to support innovative startups and scale-ups, do you believe that solutions such as steward ownership models and asset lock mechanism are needed?

- ☐ Yes
- ☐ No
- ☐ Don't know / no opinion

Towards a ‘European business code’

The Letta report called for the development of a European Business Code as a tool to overcome fragmentation in the Single Market. The Single Market Strategy also placed the 28th regime company law initiative into the context of the possible development, over time, of a European Business Code to cover wider issues relating to the way businesses operate in the Single Market. The European Business Code could possibly entail codification, harmonisation, soft law (e.g. with regard to business to business or business to consumer transactions).

49. In your opinion, would the development of a European Business Code be beneficial for companies operating in the Single Market?

- ☒ Yes
- ☐ No
- ☐ Don't know / no opinion

In which way?

1500 character(s) maximum

Accountancy Europe broadly and in principle supports the direction towards a European Business Code, with at least initial emphasis on soft law instruments. The Commission should carefully assess the relative pros and cons of each option. Accountancy Europe and its members stand ready to support this process with expertise and insights.

Additional information

50. Is there anything else that you would like to share about the problems companies face (e.g. handling of intellectual property rights)?

1500 character(s) maximum

Please refer to our attached letter for our full response to this question, as well as all the others that we responded to. It looks like for most multiple choice questions no text box was made available for elaboration, and even when they were the character limit was unrealistically low. Therefore, our attached letter should be read in conjunction with our responses in the consultation form.

In case you would like to upload an additional document, such as a position paper or study that could support or detail your position, please upload it here. The uploaded document will be published alongside your response to the questionnaire and will be treated as additional background to better understand your position. If you have chosen in the section "About you" for your contribution to remain anonymous, please make sure to remove personal information (name, email) from the additional uploaded document and its document properties.

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Only files of the type pdf,txt,doc,docx,odt,rtf are allowed

5d6de823-e67f-4876-9719-8fbf1f909ad1/250930_28th_regime_Accountancy_Europe.pdf

Do you agree to the Commission contacting you for a possible follow-up?

- ☒ Yes
- ☐ No

