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COMPROMISE AMENDMENTS

Report

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(PE790.143v01-00)

The 28th regime corporate legal framework – 'EU Inc.'

Proposal for a regulation

(COM(2026)0321 – 2026/0074(COD))

CA 1

Compromise amendment on title, Articles 1-12

Compromise amendment replacing all relevant amendments, including AMs 55-104, 247-250, 567-864

Proposal for a

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

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

(Text with EEA relevance)

CHAPTER I - GENERAL PRINCIPLES

Article 1

Subject matter

This Regulation lays down rules to improve the functioning of the internal market and to create an efficient *and comprehensive* legal framework *facilitating cross-border activities* (AM 569 EPP, AM 570 ECR, AM 571 S&D) for companies, *in particular startups and scaleups*, and investors by: (AM 55 Rap.)

(a) creating a new harmonised legal form of a limited liability company ('*EU Incorporated*', *abbreviated* 'EU Inc.') provided in the legal order of every Member State; (AM 56 Rap.)

(aa) *introducing a new legal form for steward-owned companies ('EU Inc. SO');* (AM 57 Rap.)

(b) creating an EU central interface, based on the Business Registers Interconnection System (BRIS), for the purposes of the registration of companies taking the EU Inc. legal form, as well as for filing by EU Inc. companies;

(c) introducing measures to reduce obstacles to the use and acceptance of documents and information regarding EU Inc. companies including through the application of the once-only principle;

(d) introducing measures to reduce administrative burden in procedures covered by this Regulation throughout the lifecycle of EU Inc. companies including investment-related procedures;

(e) removing obstacles with respect to financing of EU Inc. companies and investment in such companies;

(f) harmonising certain aspects of insolvency procedures applicable to specific categories of undertakings taking the legal form of EU Inc. *companies*;

(g) prohibiting certain discriminatory measures with respect to EU Inc. companies whose registered office is in another Member State.

Article 1a

Scope

- 1. This Regulation applies to companies, established as EU Inc. companies within the territory of the Union in accordance with this Regulation.*
- 2. This Regulation does not affect individual and collective Union and national labour law, including collective agreements, that is any legal or contractual provision concerning employment conditions, working conditions, including health and safety at work, remuneration and the relationship between employers and workers, and social security legislation of Member States and its coordination at Union level. The law applicable to individual employment contracts of an EU Inc. company, its branches and its subsidiaries are exclusively determined by Article 8 of Regulation (EC) No 593/2008 and the jurisdiction over individual employment contracts of an EU Inc. company, its branches and its subsidiaries remains determined by Articles 20 to 23 of Regulation (EC) No 1215/2012. This Regulation is without prejudice in particular to:*
 - (a) mandatory protection for workers, their representatives and trade unions, and other vulnerable parties, in particular pursuant to 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;*
 - (b) employee participation rights as defined in Article 2 (k) of Directive 2001/86/EC; and*
 - (c) minimum wage protection as well as collective bargained wages, in particular pursuant to Directive (EU) 2022/2041 of the European Parliament and of the Council of 19 October 2022 on adequate minimum wages in the European Union.*
- 3. This Regulation shall not constitute valid grounds for reducing the level of protection already afforded to workers within Member States under Union law, national law or collective agreements. It shall not in any way affect the exercise of rights recognised in the Member States and at Union level, including the right or freedom to strike or to take other action covered by the specific industrial relations systems in Member States in accordance with national law or practice. Neither does it affect the right to negotiate, conclude and enforce collective agreements, nor to take collective action in accordance with national law or practice.*
- 4. Company law matters that are not covered by this Regulation or by the articles of association of an EU Inc., where expressly authorised by this Regulation, shall be governed by the national law, including the provisions transposing Union law, which apply to the relevant national legal form in the Member State in which the EU Inc. company has its registered office. Each Member State shall designate that relevant national legal form and inform the Commission about the designation by ... [3 months before the date of application of this Regulation]. Where a Member State makes use of the option referred to in Article 3, paragraph 2, it may designate a separate legal form for steward-owned companies as the relevant national legal form and inform the Commission about the designation by ... [3 months before the date of application of this Regulation].*

5. ***An EU Inc. may not be established if its proposed object is an economic activity listed in Annex Ia of this Regulation. Those economic activities are considered unlikely to develop a new or improved product, service or process that significantly differs from previous iterations and is made available to potential users. The Commission shall adopt delegated acts in accordance with Article 106b to amend Annex Ia by updating the list of economic activities in close cooperation with the Member States and social partners. (AM 58 Rap., AM 597 S&D, AM 598 Left, AM 599 Greens, AM 600 Greens, AM 601 Left, AM 601 Greens, AM 602 Left, AM 603 Left, AM 604 Greens, AM 605 Left, AM 606 Greens, AM 607 S&D, AM 695 EPP, AM 700 ECR, AM 702 Left, AM 705 Greens, AM 707 EPP, 708 Greens)***

Article 2

Definitions – [tbc final text]

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

(-1) ‘startup’ means an undertaking which employs fewer than 100 persons, whose annual turnover or annual balance sheet total, or both, does not exceed EUR 10 million, and which has been operating for less than 10 years following its registration;(AM 59 Rap.)

[(1a) ‘scaleup’ means an undertaking whose annual turnover or annual balance sheet total, or both, exceeds EUR 10 million, whose average annualised increase in the number of employees or in revenue exceeds 20% over the two preceding years and which employs fewer than 750 persons (part. AM 609 Greens, AM 675 S&D)]
tbc final text

- (1) ‘EU central interface’ means a digital user interface established, operated and maintained by the Commission, based on BRIS and its Union digital access point, as referred to in Article 22 of Directive (EU) 2017/1132;
- (2) ‘Business Registers Interconnection System’ (‘BRIS’) means the system of interconnection of registers operating at the Union level, composed by the business registers of the Member States, ***available on*** the platform and the E-Justice portal as referred to Article 22 of Directive (EU) 2017/1132; (AM 619 S&D)
- (3) ‘business register’ means a central, commercial or companies register referred to in Article 16(1) of Directive (EU) 2017/1132;
- (4) ‘shareholder’ means one of the founding shareholders and any other legal or natural person who is registered into the digital register of shares;
- (5) ‘articles of association’ means ~~both~~ the instrument of constitution and the statutes in one single document; (AM 60 Rap.)
- (6) ‘branch’ ***of an EU Inc. company*** 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; (AM 61 Rap.)

- (6a) ‘subsidiary’ of an EU Inc. company means an undertaking over which that company exercises a dominant influence as defined in accordance with Article 3(2) to (7) of Directive 2009/38/EC of the European Parliament and of the Council ^{1a}; (AM 62 Rap.)
- (7) ‘fully online procedure’ means a procedure that can be carried out fully online without the necessity to appear **physically** ~~in person~~ before any authority or person or body mandated under national law to deal with any aspect of the procedure; (AM 629 S&D, part. AM 630, 632 EPP)
- (8) ‘employee participation’ means participation as defined in point (k) of Article 2 of Directive 2001/86/EC;
- (9) ‘formation’ means the whole procedure of establishing an EU Inc. including all the necessary steps for its entry in the business register;
- (10) ‘filing’ means the procedure of submitting information or documents to a business register, either directly or through the EU central interface.
- (11) ‘object of the company’ means the main activity or activities of ~~the~~ a company, expressed using the relevant Statistical Classification of Economic Activities in the European Community (NACE) code and, if any, more specific activities and purposes; (AM 63 Rap.)
- (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~~ a dissolved company’s affairs; (AM 64 Rap.)
- (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; (AM 65 Rap.)
- (16) ‘legalisation’ means the formality for certifying the authenticity of a public office holder’s signature on a document, the capacity in which the person signing that document has acted and, where appropriate, the identity of the seal or stamp which that document bears;
- (17) ‘similar formality’ means the addition of the certificate provided for by the Apostille Convention;

- (18) ‘registration of a branch’ means a process leading to making publicly available the documents and information relating to a branch opened in a Member State;
- (19) ‘related party’ ~~has the same~~ means *a related party as set out in* as in the international accounting standards adopted in accordance with Regulation (EC) No 1606/2002 of the European Parliament and of the Council¹;
- (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 *of* whether the transaction is carried out for consideration or for free;
- (23) ‘digital share certificate’ means a legal document issued by the company specifying the shares held by a shareholder as evidenced in the digital register of shares that confirms the entitlement of ownership of the shares specified therein;
- (24) ‘multilateral trading facility’ means a multilateral trading facility as defined in Article 4(1), point (22), of Directive 2014/65/EU;
- (25) ‘regulated market’ means a regulated market as defined in Article 4(1), point (21), of Directive 2014/65/EU;
- (26) ‘convertible instruments’ means instruments, which give their holders, in whole or in part, a right or duty to exchange their claim against the company for new shares in the company;
- (27) ‘warrants’ means instruments which entitle their holders to subscribe for new shares in the company for a consideration;
- (28) ‘pre-emptive right’ means the preferential right held by existing shareholders to acquire new shares or instruments entitling to new shares;
- (29) ‘dissolution’ means the decision or event, including a decision of the general meeting, the expiry of a term or occurrence of an event specified in the articles of association or a judicial order, that marks the end of the company’s normal business operations and, except in cases of restructuring or rescue as provided by insolvency law, initiates the liquidation process;
- (30) ‘solvent liquidation’ means a liquidation initiated by the company when it is able to pay its debts in full within a determined period.

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>

- (30a) *'steward-owned EU Inc.'* or *'EU Inc. SO'* means an EU Inc. whose articles of association comply with Articles 8a and 8b and which is registered as such in the business register;
- (30b) *'control rights'* means voting rights, appointment rights, dismissal rights, instruction rights or other governance rights which enable their holder, directly or indirectly, to determine or materially influence decisions reserved to the general meeting under this Regulation or the articles of association;
- (30c) *'economic participation rights'* means rights to dividends, distributions, redemption payments, liquidation proceeds, proceeds from a sale of shares or other direct or indirect participation in the profits or residual value of the company;
- (30d) *'steward share'* means a share in an EU Inc. SO company which carries control rights but does not carry economic participation rights;
- (30e) *'economic share'* means a redeemable share in an EU Inc. SO company which carries economic participation rights pursuant to Article 76(8) to (10) but does not carry control rights, except for information rights or consultation rights or class-consent rights that are necessary to protect the rights attached to that class and do not enable the holder to determine the activities of the company;
- (30f) *'permanent separation of control rights and economic participation rights'* means binding provisions of this Regulation and of the articles of association of an EU Inc. SO company which ensure that persons exercising control rights and their related parties do not hold economic participation rights and that persons holding economic participation rights and their related parties do not exercise control rights, and which cannot be removed, waived or circumvented by decision of the company, its stewards, shareholders, directors or any other body;
- (30g) *'steward'* means a holder of steward shares entrusted with preserving the company's long-term independence and purpose. (AMs 68-74, 666 Rap.)

Article 3

Legal form and general principles

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

- (d) a shareholder shall not be liable for the obligations of the company **to the extent that the shareholder acts lawfully in the capacity of a shareholder**; (AM 680 RE, AM 681 Greens)
- (e) it shall have legal personality pursuant to the law of the Member State of registration, which shall be recognised by other Member States;
- (f) it ~~may~~**shall** be formed by one or more natural or legal persons; (AM 75 Rap.)

- (g) 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;
- (h) it shall be allocated a European Unique Identifier (EUID) in accordance with Article 16(1) of Directive (EU) 2017/1132 upon registration;
- (i) it shall be set up for an unlimited period of time, unless provided otherwise in the articles of association.

(ia) it shall convert itself into a public limited company under Union or national law in accordance with Union and national conversion rules if it intends to list itself on the stock market. (AM 687 Greens)

An EU Inc. company may be permanently established as, or may permanently become, an EU Inc. SO company in accordance with Articles 8a and 8b. Unless this Regulation provides otherwise, all provisions applicable to an EU Inc. company shall apply to an EU Inc. SO company.

The registration of an EU Inc. company as an EU Inc. SO company shall have constitutive effect for its status as an EU Inc. SO company and for the use of that designation.

Member States shall not make the formation, registration, operation, conversion into, or continued existence of an EU Inc. SO company conditional upon the existence of a separate national legal form for steward-owned companies. (AMs 76-78 Rap.)

Article 4

Rules applicable to EU Inc.

1. ~~EU Inc. companies shall be governed by this Regulation and by their articles of association which shall comply with this Regulation.~~
2. ~~Matters that are not covered by this Regulation or by the articles of association shall be governed by national law, including the provisions transposing Union law, which apply to relevant national legal forms in the Member State in which the EU Inc. has its registered office.~~
3. ~~Member States shall designate the relevant national legal form referred to under paragraph 2, the provisions of which apply to EU Inc. companies. (AM 79 Rap., AM 692 S&D, AM 712 EPP)~~

Article 5

Legal personality

1. An EU Inc. company shall be registered in the business register of the Member State chosen for its registered office.

2. An EU Inc. company formed in accordance with Articles 16 to 19 of this Regulation shall acquire legal personality on the date on which it is registered in the business register.

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

Article 6

Name of the EU Inc. company and of its branch

1. The name of ~~the~~ **an EU Inc.** company shall comply with the following:
 - (a) ~~be followed by the mention~~ **contains** 'EU Inc.' **at the end**; (AM 80 Rap.)
 - (b) fulfil the function of a name;
 - (c) not mislead the public, in particular as to the nature of its business activities;
 - (d) not be contrary to public policy or to accepted principles of morality; and
 - (e) be sufficiently different from names of companies registered in any Member State as an EU Inc. and from names of any other companies available via the Business Registers Interconnection System ('BRIS').
2. Registering **an EU Inc.** company name shall not affect any claim another person may have regarding the improper use of a name contrary to Union or national law.
3. A branch of an EU Inc. company shall have the name of that company which may be completed by the branch indication.
4. Member States shall not apply rules that unduly interfere with the lawful registration and use of that name throughout the Union.
 - 4a. Member States shall ensure that only an EU Inc. company contains 'EU Inc.' in its name.**
 - 4b. Only an EU Inc. company registered as an EU Inc. SO company may use the designation 'steward-owned EU Inc.' or 'EU Inc. SO' or any designation liable to create the impression that the company is registered as an EU Inc. SO. (AM 83-84 Rap.)**

Article 7

Articles of association

1. An EU Inc. **company** shall have articles of association.
2. The articles of association shall cover at least the matters laid down in this Regulation, as specified in ~~the~~ Annex I.

3. The articles of association shall be digital, machine-readable and shall store information as structured data.
4. The articles of association shall be drawn up in at least one of the official language or languages of the Member State of registration and in a language customary in the sphere of international business and finance and shall be made publicly available in accordance with Article 25(1). ***The use of AI-assisted translation tools shall be encouraged to facilitate the preparation and availability of multilingual versions of the articles of association.*** (AM 742 EPP, partly AM 749 ECR)
5. Where an EU Inc. company ~~adopts~~ ***uses*** the ***EU templates*** for standard articles of association as referred to in Article 8 ***for its articles of association***, both language versions ***referred to in paragraph 4 of this Article*** shall have equal legal value. (AM 86 Rap.)

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 ***referred to in paragraph 4 of this Article.*** (AM 88 Rap.)

~~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.~~ (AM 753 ECR, AM 754, 755 EPP)

- 5a. ***The Commission shall be empowered to adopt delegated acts in accordance with [Article 106b] to supplement the minimum content of the articles of association, referred to in Annex I.***

Article 8

EU templates for standard articles of association (AM 89 Rap., AM 758 EPP)

1. The EU templates for the standard articles of association ***of an EU Inc. company or an EU Inc. SO company*** (~~‘EU templates’~~) may be used as part of the formation procedure through the EU central interface or with the business register. (AM 90 Rap.)
2. Where the EU templates ***for the standard articles of association*** 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. (AM 766 EPP)
3. The Commission shall, by means of ~~implementing~~ ***delegated*** acts, ***in accordance with Article 106b*** establish the multilingual EU templates for the standard articles of association ***by ... [the last day of the 6th month after the date of entry into force of this Regulation].*** (AM 91 Rap.)
- 3a. ***The templates for an EU Inc. SO company shall include model provisions for articles of association on steward shares, economic shares, transfer restrictions,***

the permanent separation of control rights and economic participation rights, reporting, independent assurance, oversight and enforcement.

3b. The Commission shall, by means of delegated act, in accordance with Article 106b establish EU templates for standard investment documentation for raising capital by ... [the last day of the 6th month after the date of entry into force of this Regulation]. (AM 772 EPP) These EU templates shall be optional and may include model documentation for early-stage equity investments, convertible investment instruments, shareholder resolutions, share issuances and other documents commonly used for raising capital. (AM 777 EPP)

3c. For the establishment of the EU templates, referred to in paragraph 3 and 3a the Commission shall appoint an expert group to assist in the development of standard articles of association that correspond to the harmonised requirements for EU Inc. and EU Inc. SO companies. The expert group shall include founders, investors, legal practitioners, representatives of academia and trade unions, as well as other stakeholders affected by the templates.

3c. The expert group referred to in paragraph 3c shall also assist the Commission in the development of the EU templates for standard investment documentation referred to in paragraph 3b and EU templates for standard model shareholder agreements. Such model shareholder agreements shall strike a fair balance between the interests of founders and investors.

3d. The Commission shall, by means of delegated act, in accordance with Article 106b establish the EU templates for the model shareholder agreements, by ... [the last day of the 6th month after the date of entry into force of this Regulation]. (AM 91 -95 Rap.)

3g. The EU templates referred to in this Article shall be made available free of charge in all official languages of the Union through the EU Inc. central interface referred to in Article 15. (AM 778 RE tbc)

Article 8a

Steward-owned EU Inc. companies

- 1. For a company registered as a EU Inc. SO company in accordance with Article 3(2), the stewards, acting as the general meeting, shall have no authority to amend the articles of association to the extent that such amendment would remove, waive, suspend, circumvent or materially weaken the permanent separation of control rights and economic participation rights required by this Article and Article 8b.*
- 2. The articles of association of an EU Inc. SO shall ensure the permanent separation of control rights and economic participation rights. For that purpose, they shall provide that:*

- (a) the company has at least one class of steward shares that are not redeemable shares;*
 - (b) only steward shares carry control rights;*
 - (c) steward shares do not carry economic participation rights;*
 - (d) economic shares, where issued, do not carry control rights;*
 - (e) no steward, and no related party of a steward, may directly or indirectly hold economic shares or otherwise hold economic participation rights;*
 - (f) no holder of economic shares, and no related party of a holder of economic shares, may directly or indirectly hold steward shares or otherwise exercise control rights;*
 - (g) no person may exercise control rights pursuant to any legal or economic arrangement where that person or their related party directly or indirectly holds economic participation rights.*
- 3. Economic participation rights attached to shares may be attached only to economic shares. Economic shares shall always be redeemable shares within the meaning of Article 76. This paragraph shall not prevent an EU Inc. SO from incurring debt under loans, bonds, notes, or other contractual arrangements, provided that such arrangements are not structured or used to circumvent the permanent separation of control rights and economic participation rights.*
- 4. Stewards may receive remuneration or other consideration from the company for transactions with the company, provided that such remuneration or consideration is granted on arm's length terms, does not exceed market rate, and is not structured or used to circumvent the separation of control rights and economic participation rights. Steward shares shall not be transferable. The articles of association shall provide that steward shares are cancelled upon the dissolution, resignation, exclusion or other termination of the steward. Any purported transfer inter vivos of steward shares shall be void and shall not be registered in the digital register of shares. The articles of association of an EU Inc. SO company shall identify at least one person who has consented to become a steward if, upon the dissolution, resignation or other termination of the last remaining steward, no other steward remains. In that event, the articles of association shall provide for the automatic issue of steward shares to the successor steward and for the registration of the successor steward in the digital register of shares. Where no successor steward is identified or able to act, Member States shall provide for the temporary appointment of a steward or, where no steward can be appointed, for the dissolution of the EU Inc. SO company. Stewards shall exercise their control rights in the best interests of the company, with due regard to the company's purpose, the preservation of its long-term independence and the steward-owned character of the company.*
- 5. The EU Inc. SO company shall record in its digital register of shares whether each share is a steward share or an economic share and shall record the principal rights and restrictions attached to that share.*

6. *A resolution, amendment of the articles of association, issue of shares, transfer of shares, conversion, merger, division, dissolution or other transaction shall not take effect to the extent that it would remove, waive, suspend, circumvent or materially weaken the permanent separation of control rights and economic participation rights.*
7. *The business register shall refuse to register any amendment, transaction or other matter referred to in paragraph 8 where the documents submitted show, or the register has reasonable grounds to consider, that the amendment, transaction or matter would be contrary to this Article.*
8. *Member States shall ensure that breaches of this Article are subject to effective, proportionate and dissuasive remedies, including injunctions, suspension of voting rights, nullity or ineffectiveness of non-compliant resolutions, restoration of assets, liability of directors or stewards, and correction of the digital register of shares. (AMs 96 and 781 Rap.)*

Article 8b

Reporting, assurance and enforcement of the permanent separation

1. *An EU Inc. SO company shall prepare a stewardship compliance report for each financial year. The report shall describe whether the company has complied with Article 8a and with the provisions of its articles of association concerning the permanent separation of control rights and economic participation rights.*
2. *The stewardship compliance report shall include at least:*
 - a. *the classes of shares issued by the company and the rights attached to each class;*
 - b. *the identity of the holders of steward shares;*
 - c. *distributions, redemption payments, acquisitions of own shares, liquidation payments and other transfers of economic value to economic shareholders or their related parties;*
 - d. *transactions with stewards and related parties;*
 - e. *amendments to the articles of association, transfers of steward shares and transfers of economic shares;*
 - f. *any suspected or established breach of Article 8a and the measures taken to remedy such breach.*
3. *The stewardship compliance report shall be approved by the board of directors and made available to the stewards and holders of economic shares without undue delay.*
4. *The stewardship compliance report shall be subject to independent assurance. Where the company is subject to statutory audit under Union or national law, the statutory auditor or audit firm shall verify whether the report is consistent with the accounting documents and whether any material non-compliance with Article 8a has come to its attention. Where the company is not subject to*

statutory audit, the report shall be reviewed by an independent auditor, accountant, lawyer or other independent professional authorised or recognised for that purpose under the law of the Member State of registration.

5. *The stewardship compliance report and the assurance statement shall be filed with the business register within six months after the end of the financial year and shall be made publicly accessible in accordance with Articles 25 and 26.*
6. *Member States shall ensure that at least one effective enforcement route is available to protect the permanent separation of control rights and economic participation rights. Standing to seek remedies before a competent court or administrative authority shall be granted at least to the company, any steward, any holder of economic shares and any person or body granted standing under the articles of association or national law.*
7. *Member States may grant standing to employees, employee representatives, creditors, public authorities, non-profit organisations or associations whose statutory purpose includes the protection of steward ownership, responsible enterprise or comparable collective interests.*
8. *The rights conferred by this Article shall be without prejudice to the rights of shareholders to request the appointment of an independent expert under Article 56(6). (AM 96 Rap.)*

Article 9

Registered office, central administration and principal place of business

1. An EU Inc. shall have its registered office and its central administration or principal place of business in the Union.
2. Paragraph 1 shall also apply when the EU Inc. company is created through a cross-border conversion, division or merger in accordance with Directive (EU) 2017/1132.

Article 10

Principle of digital-only procedures

1. Member States shall ensure that all procedures within the scope of this Regulation may be carried out exclusively fully online.
2. The communications between the EU Inc. company and its shareholders including subscribers and purchasers of shares shall be carried out fully online unless otherwise provided in the articles of association or in any agreement between an EU Inc. company and a shareholder. ***Such procedures may include video-conferences or other online means that provide real-time audiovisual connection, in accordance with the national rules applicable to the legal form referred to in Article 1a. (AM 805 EPP, AM 806 Greens).***

3. By way of derogation from paragraph 1, in exceptional circumstances, where duly justified by overriding reason in the public interest of preventing identity misuse or alteration, or in ensuring compliance with the rules on legal capacity and on the authority of applicants to represent a company, any public authority or person or body mandated under national law to deal with any aspect of the procedures referred to in paragraph 1, may take **additional verification measures. Those measures shall be carried out, whenever possible, online.** ~~which could require the physical presence.~~ (AM 822 RE) 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.

3a. Member States shall ensure that documents, signatures, communications and procedural acts carried out in accordance with this Regulation in digital form shall have the same legal effects and evidentiary value as their non-digital equivalents. (AM 828 EPP)

3b. Member States shall ensure that all EU Inc. companies are attributed a European Unique Identifier without undue delay. The European Unique Identifier shall be assigned automatically and simultaneously with the registration of an EU Inc through the EU central interface. (AM 830 EPP)

Article 11

Payments

1. Where a procedure requires a payment, Member States shall ensure that such payment can be made by means of a widely available online payment service that can be used for cross-border payments, that permits identification of the person that made the payment and is provided by a financial institution or payment service provider established in a Member State.
2. ***It shall be possible to make the pPayments, referred to in paragraph 1, can be made online to a bank account of a bank operating in the Union. In addition, it shall be possible to provide proof of such payments can also be provided online. (AM 98 Rap.)***

Article 12

Employee participation

1. An EU Inc. formed *ex nihilo* in accordance with Articles 16 to 19 or created through a domestic conversion, merger or division in accordance with Article 21 shall be subject to the employee participation rules applicable in the Member State ***of the place of employment of the employees in which it has its registered office.***

The place of employment is the country in which or, failing that, from which an employee habitually carries out his or her work in performance of the

employment contract. The country where the work is habitually carried out shall not be deemed to have changed if the employee is temporarily employed in another country. (AM 99 and 840 Rap.)

- 1a. An EU Inc. with employees in a Member State other than that of its registered office shall introduce board-level employee representation rights, in accordance with the applicable national law of the place of employment, once the number of employees of the EU Inc. company, including its branches and subsidiaries in that Member State reaches any threshold triggering such rights under national law.**

This obligation shall not apply, where the law of the Member State of the registered office of the EU Inc. company already provides for at least an equivalent level of employee participation as required under the national law of the place of employment.

Where the EU Inc. company has employees in two or more Member States in which the thresholds triggering board-level employee participation under the applicable national law have been reached the arrangements providing the highest level of employee participation shall apply. Where the number of employees reaches another threshold under the applicable national law triggering a higher level of employee participation, the participation arrangements shall be adapted accordingly.

The level of employee participation is measured by reference to the proportion of employee representatives among the members of the administrative or supervisory body.

Where the applicable law on employee participation refers to a supervisory body, which the EU Inc. company has not established, the EU Inc. company is obliged to introduce such body by amending its articles of association accordingly. (AM 100 and 848 Rap.)

- 1b. Where the applicable law cannot be determined in accordance with paragraph 1a, including where the application of the national laws of two or more Member States would result in the same proportion of employee representatives but different employee participation regimes, the negotiation procedure provided for in Articles 3 to 7 of Directive 2001/86/EC shall be initiated, or, where appropriate, reinitiated, once the number of employees reaches in at least one Member State a threshold triggering board-level employee representation rights and:**

- (a) where no employee participation rights are yet in place; or**

- (b) *where reaching the threshold under the applicable national law requires an adjustment of existing employee participation arrangements; or*
- (c) *where reaching the threshold under the applicable law results in the application of a different employee participation regime.*

The result of the negotiation procedure may not lower the level of employee participation that was established by the EU Inc. before the negotiation procedure started. Where the negotiation procedure is triggered because a higher national threshold has been reached, the result may not provide for a lower level of employee participation than that required under the applicable national law. (AM 101 and 851 Rap.)

1c. For the purpose of determining the number of employees under this Article, all employees of the EU Inc. company, including all its branches and subsidiaries, within the territory of the Member State concerned shall be taken into the calculation. If an EU Inc. company is the controlling company of a group, for the application of this Article to the controlling company the employees of the group companies shall be considered as employees of the controlling company. (AM 102, 854 Rap.)

1d. Paragraphs 1a and 1b shall not be used for the purpose of circumventing, lowering or otherwise undermining existing employee participation rights. Member States shall lay down rules applicable to infringements of this Article in accordance with Article 106. (AM 103, 855 Rap.)

2. Where an EU Inc. **company** 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. **company** 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. *Where the national law applicable to employee participation under this paragraph is a different one than the one determined in accordance with paragraphs 1 and 1a of this Article, paragraph 1b of this Article applies. (AM 104 Rap.)*

Article 12a

Determination of the applicable law for employee participation

1. *Where there is a dispute or uncertainty as to the national law applicable under Article 12, the board of directors of the EU Inc. company, employee representatives concerned or the trade unions that would have a nomination right under the national law whose application is disputed or uncertain, may request*

the competent court of the Member State of the place of employment concerned to determine the applicable law.

- 2. The court referred to in paragraph 1, shall have exclusive jurisdiction to determine the applicable law.***
- 3. Once the applicable law is established, the courts of that legal order shall have exclusive jurisdiction to settle disputes relating to employee participation of an EU Inc. company.***
- 4. Pending the final determination of the applicable law, the EU Inc. company shall maintain the existing level of employee participation and shall not use such dispute or uncertainty to circumvent, reduce or otherwise undermine employee participation rights. (AM 863 Rap.)***

CORRESPONDING RECITALS

- (1) The Commission Communication of 29 January 2025 entitled ‘A Competitiveness Compass for the EU’² proposed a 28th regime to make it possible for innovative companies to benefit from a single, harmonised set of rules wherever they invest and operate in the internal market. The Commission Communications of 21 May 2025 entitled ‘The Single Market: our European home market in an uncertain world. A Strategy for making the Single Market simple, seamless and strong’³ and of 28 May 2025 entitled ‘The EU Startup and Scaleup Strategy Choose Europe to start and scale’⁴ further announced that the 28th regime would include an EU corporate legal framework based on digital-by-default solutions.
- (2) The European Council called on the Commission, in March and October 2025, to propose in line with the respective competences under the Treaties without delay an optional 28th company law regime allowing innovative companies to scale up. The European Parliament resolution “The 28th regime: a new legal framework for innovative companies” of 20 January 2026 called for an ambitious proposal focusing on company law rules and introducing a new corporate form into national laws for limited liability companies not listed on the stock market, while also, among others stressing the need for measures to facilitate employee stock ownership, ensure more efficient dispute resolution and provide strong safeguards to protect employee participation rights.
- (3) The 27 national legal systems with distinct rules, procedures and national legal forms for limited liability companies create a fragmented and complicated corporate landscape in the Union, resulting in legal uncertainty and costs for founders, companies as well as Union and third country investors. Therefore, in order to boost the Union competitiveness, it is necessary to simplify the regulatory framework and reduce fragmentation through the approximation of laws, in particular by introducing a harmonised set of corporate rules, including a new harmonised

² [Competitive Compass](#), January 2025

³ [Single Market Communication](#), May 2025

⁴ [EU Startup and Scaleup Strategy Communication](#), May 2025

national legal form covering the lifecycle of a company including liquidation and insolvency. Harmonised rules are also needed to enable companies to attract private investment through common fast, digital and cost-effective rules and procedures, which would make it easier for high-growth companies to scale up in the internal market and enable both Union and third country investors to invest in companies as well as offer such investors with more flexible exit options to liquidate their investment.

- (4) A harmonised corporate framework should be set out with a new harmonised legal form of a limited liability 'EU Inc.' company. This new company legal form should be introduced in the national legal orders of all Member States. The framework and the specific features of the new national legal form draw on the diversity of national rules and procedures and harmonise those rules and procedures in order to meet the needs of companies, in particular start-ups and scale-ups, and their Union and third country investors. As other national legal forms, the EU Inc. should be incorporated in a Member State and generally be governed by the law of the Member State of registration. At the same time, it should benefit from a harmonised set of rules introduced by this Regulation. Such harmonisation would facilitate cross-border business in the internal market and investment by Union and third country investors in such companies and ensure that those rules and procedures result in reduced administrative burden and costs for founders and companies as well as for investors.
- (5) The EU Inc. framework set out in this Regulation responds in particular to the needs of startup and scaleup companies but should be legally open to all founders and companies who see it fit for their business model. Both natural and legal persons should be able to form an EU Inc. company. It should be possible to create an EU Inc. company *ex nihilo* and existing companies should be also able to convert into EU Inc. companies. Furthermore, existing companies, including EU Inc. companies, should also be able to set up EU Inc. subsidiaries, making the EU Inc. company legal form available for groups of companies. In addition, in particular to ensure that scale-ups could benefit from the EU Inc. framework, it should be possible to create an EU Inc. company through a domestic division or merger, or by carrying out a cross-border conversion, merger or division in accordance with the rules already harmonised by Directive (EU) 2017/1132 of the European Parliament and of the Council⁵.
- (6) In order to ensure a common and unified corporate legal framework for EU Inc. companies regardless of the Member State in which they are incorporated, aspects relating to corporate matters should generally be governed by this Regulation or by the articles of association of EU Inc. companies. National law should apply to all matters where this is provided for by this Regulation and for matters not covered by this Regulation.
- (7) EU Inc. companies formed in the Member State of registration and operating across the Union in accordance with the provisions of this Regulation should be recognised in all Member States. To this end, these companies should add to their name the common, distinct and clear denomination 'EU Inc.'. This denomination should be used unaltered and should not be translated. The 'EU Inc.' denomination would

⁵ Directive (EU) 2017/1132 of the European Parliament and of the Council of 14 June 2017 relating to certain aspects of company law (OJ L 169, 30.6.2017, p. 46), ELI: <http://data.europa.eu/eli/dir/2017/1132/oj>

increase transparency and strengthen trust by ensuring that business partners, investors, other stakeholders and consumers as well as public authorities know that they are dealing with a company with the same harmonised features across the Union. As of registration, an EU Inc. company would acquire legal personality, being a body corporate with the name contained in its articles of association and having perpetual succession.

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

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

- (11) Each EU Inc. company, like any other Union company, should be subject to the fundamental freedoms including the case-law of the Court of Justice of the European Union. Therefore, an EU Inc. company may be established in any Member State and choose where it carries out its main economic activities. This means that the founders of an EU Inc. company should be able to choose in which Member State to incorporate an EU Inc., and therefore, in which Member State it would have its registered office. EU Inc. cannot be required to have its central administration or principal place of business in the same Member State as its registered office. All Member States should recognise the legal capacity of an EU Inc. company lawfully incorporated in another Member State.
- (12) Fully digital procedures are necessary to enable a truly efficient and competitive company set-up, operations and investment procedures that can attract both founders and investors. Therefore, while considerable progress has already been made with digitalisation of the existing Union company law, including through Directives (EU) 2019/1151⁶ and (EU) 2025/25 of the European Parliament and of the Council⁷, the corporate legal framework for EU Inc. should go further in harmonising rules and procedures by providing “digital-only” rules and processes applicable throughout the company lifecycle including as regards investment-related communications and procedures. Fully digital procedures should also apply where the completion of a procedure requires a payment. In that regard, it is appropriate to ensure that such payment can be made by means of widely available cross-border payment services, such as credit cards, bank transfers and any other commonly used payment instruments.
- (13) When adopted, the European Business Wallets [*PO: Reference to Proposal for a Regulation of the European Parliament and of the Council on the establishment of European Business Wallets*] will support companies in business-to-business and business-to-government communications. The EU Inc. as other companies, once formed and registered in the business register, should be able to purchase it in order to securely authenticate, store and share documents. This Regulation ensures compatibility between the European Business Wallets and key digital tools, such as the EU Company Certificate and the digital EU power of attorney, for EU Inc. companies to take full advantage of the capabilities of the European Business Wallets. The European Business Wallets, together with trust services, should also constitute one of the options for EU Inc. companies to sign forms when registering a branch or setting up a subsidiary.
- (14) Regulation (EU) 2018/1724 of the European Parliament and of the Council⁸, which establishes the Single Digital Gateway, provides for general rules related to online

⁶ Directive (EU) 2019/1151 of the European Parliament and of the Council of 20 June 2019 amending Directive (EU) 2017/1132 as regards the use of digital tools and processes in company law (OJ L 186, 11.7.2019, p. 80), ELI: <http://data.europa.eu/eli/dir/2019/1151/oj>

⁷ Directive (EU) 2025/25 of the European Parliament and of the Council of 19 December 2024 amending Directives 2009/102/EC and (EU) 2017/1132 as regards further expanding and upgrading the use of digital tools and processes in company law (OJ L, 2025/25, 10.1.2025), ELI: <http://data.europa.eu/eli/dir/2025/25/oj>

⁸ Regulation (EU) 2018/1724 of the European Parliament and of the Council of 2 October 2018 establishing a single digital gateway to provide access to information, to procedures and to assistance and problem-

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

- (15) The Your Europe portal provides online access to information about rules and procedures stemming from Union and national law for businesses and citizens, in the areas specified in Regulation (EU) 2018/1724, including information related to starting, running and closing a business. In this context, information about the EU Inc. legal form and procedures regarding starting, running and closing an EU Inc., including links to information available on national registration websites, should be publicly available through the Your Europe portal, in accordance with Regulation (EU) 2018/1724 and Annex I to that Regulation.
- (16) It is important to ensure that the EU Inc. corporate legal framework provides an easily recognisable but also reliable and trustworthy legal form for founders, companies, investors and other stakeholders and that this legal form cannot be used to circumvent rights, including notably employees' rights to participation in company boards. Therefore, where employee participation rules exist in the Member State in which an EU Inc. has its registered office, those rules apply to that company. This ensures equal treatment between EU Inc. companies and comparable national company forms and safeguards existing national protections and acquired employee rights. It is also hereby recalled that Regulation (EC) 593/2008 of the European Parliament and of the Council⁹ applies to individual employment relationships involving an EU Inc. company.
- (17) In case an EU Inc. company is created through or carries out a cross-border conversion, merger or division, such operations should follow the rules and procedures set out in Title II of Directive (EU) 2017/1132. Therefore, for example in case an EU Inc. carries out a cross-border conversion, it would convert into an EU Inc. of the destination Member State. Overall, those rules and procedures in Directive (EU) 2017/1132 aim to facilitate the cross-border mobility while providing effective safeguards for employees, minority shareholders and creditors. With a view to preserving existing employees' rights of participation, where applicable, , the Directive provides that the company carrying out such a cross-border operation should enter into negotiations with its employees or their representatives once a threshold specified in the Directive is met, with a view to finding an amicable solution that reconciles the right of the company to carry out a cross-border operation with the employees' rights of participation.
- (18) As for other limited liability companies, the Union legal framework regarding the information and consultation of employees, including Directive 2002/14/EC¹⁰ and

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

⁹ Regulation (EC) No 593/2008 of the European Parliament and of the Council of 17 June 2008 on the law applicable to contractual obligations, Rome I (OJ L 177, 4.7.2008, pp. 6–16), ELI: [Regulation - 593/2008 - EN - Rome I Regulation - EUR-Lex](#)

¹⁰ Directive 2002/14/EC of the European Parliament and of the Council of 11 March 2002 establishing a general framework for informing and consulting employees in the European Community - Joint

Directive 2009/38/EC of the European Parliament and of the Council¹¹, as well as Council Directive 2001/23/EC¹² and Council Directive 98/59/EC¹³, should also apply to EU Inc. companies where appropriate.

- (19) The creation of an EU Inc. through a domestic or cross-border merger is without prejudice to the application of the legislation on the control of concentrations between undertakings, both at Union level, by Council Regulation (EC) No 139/2004¹⁴, and at Member State level.

CA 2

Compromise amendment on Chapter II

Compromise amendment replacing all relevant amendments, including AMs 105-123, 865-1071

CHAPTER II- EU CENTRAL INTERFACE, FORMATION AND FILING

Article 13

Company application form

1. A harmonised application form shall be used for all cases of formation of an EU Inc. company. It shall be fully digital, machine readable and shall collect information as structured data.
2. The prospective members of the board of directors, identified through electronic identification means in accordance with Regulation (EU) No 910/2014, shall fill in the company application form and ***at least one prospective member of the board shall (AM 869 EPP)*** sign it by means of trust services referred to in Regulation (EU) No 910/2014.
3. The application form referred to in paragraph 1 shall include the information specified in the implementing act referred to in Article 35(3) point (b), to the extent that it is necessary for the purposes of:
 - (a) company formation in the national business register;
 - (b) issuing the tax identification number, TIN and/or;

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

¹¹ Directive 2009/38/EC of the European Parliament and of the Council of 6 May 2009 on the establishment of a European Works Council or a procedure in Community-scale undertakings and Community-scale groups of undertakings for the purposes of informing and consulting employees (Recast) (OJ L 122, 16.5.2009, pp. 28–44)

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

¹³ Council Directive 98/59/EC of 20 July 1998 on the approximation of the laws of the Member States relating to collective redundancies (OJ L 225, 12.8.1998, pp. 16–21)

¹⁴ Council Regulation (EC) No 139/2004 of 20 January 2004 on the control of concentrations between undertakings (the EC Merger Regulation) (OJ L 24, 29.1.2004, pp. 1–22)

- (c) issuing the VAT identification number;
- (d) registering beneficial ownership information in the beneficial ownership register.

3a. Member States shall ensure that information required for the purposes referred to in paragraph 3, points (b) to (d), can be provided and transmitted through the EU central interface. (AM 105 Rap.)

- 4. The application form shall be accompanied by the articles of association, which may use the EU templates referred to in Article 8. The founding shareholders shall sign the articles of association by means of trust services in accordance with Regulation (EU) No 910/2014.
- 5. The application form shall provide that persons applying to become directors declare their consent to becoming directors, acknowledge their duties and declare whether they are aware of any circumstances which could lead to a disqualification in the Member State of registration.
- 6. The fast-track procedure referred to in Article 16 shall not apply if any of the persons applying to become directors declare that any such circumstances exist, or if their existence is ascertained during preventive controls.
- 7. The Commission shall ensure that where an EU Inc. is formed in accordance with Articles 16 and 17, the EU central interface provides an automatic verification of whether the proposed company name matches or is similar to a registered Union trade mark, as referred to in Regulation (EU) 2017/1001¹⁵, or national trade mark of a Member State, as referred to in Directive (EU) 2015/2436¹⁶. Member States shall ensure, where an EU Inc. is formed in accordance with Articles 18 with the business register, that the register provides the automatic verification. To that end, BRIS shall be interconnected, free of charge, with the trade mark IT tools developed by the European Union Intellectual Property Office (EUIPO) in accordance with Article 152(1) point (b) of Regulation (EU) 2017/1001, which mandates the creation of common or connected databases and portals for Union-wide consultation, search, and classification purposes. Such interconnection shall also allow EUIPO to inform applicants for a trade mark in the Union where the sign applied for is identical or similar to the name of an EU Inc. registered prior to the date of the trade mark application. Such information shall be provided for indicative purposes and shall not prejudice the examination or registration of the trade mark.

Article 14

Preventive control

- 1. Member States shall ensure that the articles of association at the time of the formation of the EU Inc. and any amendments to the articles of association shall be

¹⁵ 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>

¹⁶ 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>

subject to preventive administrative, judicial or notarial control, or any combination thereof **by the competent authorities**.

2. That ~~control~~ **competent authorities** shall verify ~~that~~:
 - (a) **that** the formal requirements for the articles of association are fulfilled and, where the EU templates referred to in Article 8 are used, that they are used correctly;
 - (b) **that** the mandatory minimum content is included as specified in ~~the Annex I~~;
(ba) that the substantive legal requirements are met; (AM 915 ECR, AM 916 Rap., AM 914, 917 EPP, AM 918 S&D)
 - (c) **that** the name and the object of the EU Inc. comply with the requirements of this Regulation;
 - (d) **the identity of the applicants and that** the applicants have the necessary legal capacity and ~~have~~ authority to represent the EU Inc. company; (AM 110 Rap.)
 - (e) **that** 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.
(ea) that Union and national requirements relating to anti-money laundering are met (AM 935 ECR, AM 927 Greens, AM 937 S&D)
- 2a. **Where provided for under national law, at the time of formation of the EU Inc. company, preventive control authorities may also verify compliance with requirements relating to beneficial ownership, director eligibility and creditor protection, as well as the formation as a whole under national law.** (AM 112 Rap., AM 900 and 929 Greens)

Article 15

EU central interface

1. The Commission shall establish the EU central interface as part of the European electronic access point to BRIS as referred to in Article 22 of Directive (EU) 2017/1132. **Applications for the formation and filings under this Regulation shall be submitted through the EU central interface.** (AM 950 EPP)
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. **company** on the EU central interface.
3. Where an EU Inc. **company** is formed through the EU central interface in accordance with Articles 16 and 17, the Commission shall ensure that the interface, through BRIS, transmits to the business register of the Member State of registration

the application form and the articles of association. That business register shall share such data with national preventive control authorities.

4. The decision to register an EU Inc. **company** in the national business register shall remain the responsibility of the competent national authority in accordance with national law compliant with the provisions of this Regulation and other Union law.
5. The EU central interface shall enable real-time tracking of the registration status of a company.
6. The EU central interface shall provide information about the registration of intellectual property rights, ~~including~~ **in** trade marks ~~and designs~~.
7. EU Inc. companies shall be able to file documents and information in accordance with Article 25(1) and Article 27(1) through the EU central interface.

Article 16

Fast-track formation through the EU central interface

1. ~~Where~~ **When** an EU Inc. **company** is formed through the EU central interface **using the EU templates for the standard articles of association referred to in Article 8**, the prospective directors shall submit the application form referred to in Article 13 together with the EU templates ~~referred to in Article 8~~. (AM 113 Rap., AM 980 EPP)
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 **complete set of** 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 **for the entire registration procedure**. (AM 114 Rap., AM 993 Greens, AM 989 RE, AM 978 S&D)

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

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

The registration within 2 working days shall be suspended in the event of an inappropriate or missing document. The deadline shall resume once the appropriate or missing documents have been uploaded through the EU central

interface. In this case, the competent authority referred in Article 14 shall not impose any additional registration fees. (AM 998 RE)

By way of exception, where additional checks pursuant to Article 14 are required due to a higher risk of fraud or abuse, in particular a risk of money-laundering activities, the period referred to in the first subparagraph may be extended by the time strictly necessary to complete those checks. (AM 115 Rap., AM 984 ECR, AM 987 Left, AM 990 EPP, AM 996 Greens)

- 2a. *Every two years from [PO: the date three years after the date of application of this Regulation], the Commission shall review and if necessary, adapt 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. The first review shall take place by [PO: the date five years after the date of application of this Regulation].*

The amounts shall be updated automatically, by adopting the base amount in euros or cents by the percentage change in that index. The resulting amounts shall be rounded up to the nearest euro.

The Commission shall publish in the Official Journal of the European Union the adopted amounts referred to in paragraph by [PO: the date five years after the date of application of this Regulation]. Those adapted amounts shall enter into force on the first day of the month following publication. (AM 1649 Rap.)

Article 17

Formation through the EU central interface without using EU templates

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

2a. The total cost of registration shall not exceed the total cost of registering a private limited liability company in the Member State of incorporation. (AM 1010 RE)

Article 18

Fully online formation with the business register

1. Where an EU Inc. is formed with the business register, the formation shall be carried out fully online by using the application form in accordance with Article 13 and the articles of association.

2. The preventive control shall be carried out in accordance with Article 14. Where the EU templates referred to in Article 8 are used, the registration shall be completed under the conditions laid out in Article 16 (2) and in other cases under the conditions laid down in Article 17 (2).

Article 19

Formation of EU Inc. subsidiaries

1. A company listed in Annex II or IIB to Directive (EU) 2017/1132 or an existing EU Inc. **company** may form an EU Inc. as a subsidiary either through the EU central interface or fully online with the business register in accordance with Articles 16, 17 and 18.
2. Where a company listed in Annex II or IIB to Directive (EU) 2017/1132, *a European Company (SE) (AM 1025 EPP)* or an existing EU Inc. forms an EU Inc. subsidiary, they shall not be requested to provide any documents or information that are available in BRIS.
3. In case of registering a subsidiary in another Member State, the business register registering the subsidiary shall automatically retrieve from BRIS and on the basis of the EUID the information and documents about the company forming the subsidiary.
4. In case of registering of a subsidiary in the same Member State, the documents or information about the company forming the subsidiary shall also be available in the business register of that company.

Article 20

Once-only submission for authorities

1. Following the registration of an EU Inc. **company**, with the business register, that business register shall immediately exchange in digital form the information about the EU Inc. **company**, 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. **company** with the social security authorities.
2. The EU Inc. **company** shall not be required to ~~provide~~ **resubmit** the information referred to in paragraph 1 to the authorities and the beneficial ownership register referred to in paragraph 1. *(AM 117 Rap)*

3. The EU Inc. **company** 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. **company** shall not be required to submit to those public authorities or to the beneficial ownership register a separate application; nor shall it be required to provide them with additional information unless it cannot be retrieved elsewhere and is strictly necessary for the purposes of issuing the VAT identification number.
4. The business register shall transmit to the public authorities referred to in paragraph 1, automatically and digitally, any changes to the information about the EU Inc. **company** that those public authorities have received in accordance with paragraph 1.
- 4a. *Where the information made available pursuant to paragraph 1 is insufficient for the purpose of establishing employer status or verifying compliance with social security or labour law, the competent authorities may request such additional information that is necessary. (AM 1045 Rap. tbc EMPL)*

Article 21

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

1. In addition to formation referred to in Articles 16 to 18, an EU Inc. **company** may be created by any of the following methods:
 - (a) the domestic conversion of an existing company;
 - (b) the domestic merger of existing companies;
 - (c) the domestic division of an existing company;
 - (d) the cross-border conversion, division or merger of limited liability company or companies.
2. Creation of an EU Inc. **company** by a domestic conversion shall be governed by the national law applicable to the converting company.
3. Creation of an EU Inc. **company** by a domestic merger or division of existing companies shall be governed by the national law applicable to each of the merging companies or to the dividing company.
4. A company or companies can only be involved in a domestic conversion, merger or division as referred to in paragraphs 2 and 3, provided that two years have elapsed since their registration or the first two sets of annual accounts have already been approved for any such company.
5. ***Without prejudice to Article 12 of this Regulation, the*** creation of an EU Inc. **company** 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. *(AM 120 Rap.)*

5a. When an EU Inc. company is formed through a cross-border conversion, merger or division as referred in this Article, the terms of the operation shall specify a single date from which the transactions of the company or companies involved shall, for accounting purposes, be treated as transactions of the newly formed EU Inc. The date shall be identical in all Member States involved in the operation and be recognised by all competent authorities for accounting purposes. (AM 1055 RE)

6. An EU Inc. **company** 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 **Where an EU Inc. company is operating under an employee protection system, it shall be obliged to take measures to ensure that employees' participation rights are protected in the event of any change into a national limited liability company for a period of at least four years after the change has taken effect. (AM 121 Rap., AM 1056 Left)**

6a. An EU Inc. company may become an EU Inc. SO company through formation, domestic conversion, domestic merger, domestic division, cross-border conversion, cross-border merger or cross-border division. (AM 122 Rap.)

Article 22

Disqualified directors

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

Article 23

Signature of digital filing via EU central interface

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

Article 24

Electronic filing agent

1. Using the digital EU power of attorney referred to in Article 31, an EU Inc. **company** 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.
 - 1a. Electronic filing agents shall act solely as technical intermediaries and shall not certify identity, legal capacity, powers of representation or compliance with legal requirements. Their use shall be without prejudice to any preventive controls, including identity verification and legality checks, required under Union or national law. (AM 123 Rap.)**
2. The EU central interface shall verify automatically the digital EU power of attorney.

CORRESPONDING RECITALS

- (20) The formation of an EU Inc. and in particular the articles of association, and any amendments thereof, should be subject to preventive administrative judicial or notarial control and a legality check, as set out in this Regulation, to ensure their reliability and facilitate their use especially in cross-border situations. As with any other company form, the preventive control is essential for prevention of abusive or fraudulent letter-box companies linked to tax evasion or money laundering. At the same time, a harmonised and efficient preventive control is also key to reducing administrative formalities in the use of company information by companies, as e.g. business partners, creditors and public authorities, and to ensuring mutual recognition, and therefore, the efficient application of the “once-only” principle.
- (21) In order to allow founders to easily set up an EU Inc. through a Union level centralised infrastructure regardless in which Member State they want to set up an

EU Inc. company, the Commission should provide for a centralised, user-friendly ‘EU central interface’ which should allow the completion of the relevant procedures without having to use 27 divergent national ones. The EU central interface should be built as part of the business registers interconnection system (BRIS), which connects all Member States’ business registers and provides means of cross-border secure exchanges between business registers via the platform. The EU central interface should securely transmit the information and documents to the business register of the Member State in which the EU Inc. company is to be registered and the business registers should automatically exchange the relevant information with the preventive control authorities. The interface should also allow founders, or their authorised representatives, to track in real time the status of the registration of the EU Inc. company.

- (22) The EU central interface should provide for a “fast track” company formation procedure including preventive administrative, judicial or notarial control within 48 hours and at a maximum cost of EUR 100 where the EU Inc. is formed by using the harmonised application form and EU templates for articles of association. The application form and EU templates should be made available in a machine-readable and searchable format to foster cross-border interoperability and facilitate the automatic exchange of data between public authorities and should be available on the EU central interface. Similarly, existing companies, including EU Inc. companies, should be able to set up a subsidiary through the same procedure. In this context, the information about the company setting up the subsidiary should be automatically retrieved from BRIS by the business register in which the subsidiary is to be registered. In addition, founders and companies should also have the possibility to form a company with tailor-made articles of association or set up a company directly with national business registers.
- (23) In order to further simplify and streamline the digital registration and filing as well as to provide optional guided forms and models for EU Inc. companies, the Commission should further develop the EU central interface towards a central digital register for EU Inc. companies, building on the functionalities of the registers of the Member States and the existing interconnection infrastructure.
- (24) This Regulation should not affect sectoral Union or national legislation related to specific business activities. However, in order to ensure the timely online formation of an EU Inc. company or online registration of an EU Inc. branch, Member States should not make that formation or registration conditional on obtaining any licence or authorisation before that formation or registration can be completed, unless national law so provides for the purpose of ensuring that there is proper oversight of certain activities.
- (25) In the context of setting up a company, national law often requires founders to separately submit information about the company to several public authorities for tax, social security or anti-money laundering purposes. This leads to delays and extra costs to start running the new business. Therefore, in order to reduce administrative burden and costs and ensure the quick completion of procedures, these rules and procedures should be harmonised by ensuring a “once-only” data exchange between the business register of registration of an EU Inc. and the relevant national authorities. The application of the once-only principle in relation to tax authorities, social security authorities and the beneficial ownership registers would also

contribute to tackling possible abuses by ensuring that business registers share data with other authorities as well as the beneficial ownership register, and all use the same company information.

- (26) In case of such a once-only submission of information, the business register of registration of the EU Inc. should automatically transfer the relevant company data, including the European Unique Identifier (EUID), to the authorities responsible for the issuance of the tax identification number (TIN) and the VAT identification number, to social security authorities, as well as to the beneficial ownership register, without founders and companies having to resubmit the information to those authorities. The specific data needed for obtaining the TIN and the VAT identification number and required by the beneficial ownership register, submitted in the application form, should also be part of the automatic transfer. In addition, the EU Inc. should obtain the TIN and the VAT identification number through this digital exchange without needing to submit a separate application, except in limited justified cases where the authorities in charge of issuing the VAT identification number require additional case-specific information.

CA 3

Compromise amendment on Chapter III

Compromise amendment replacing all relevant amendments, including AMs 124-135, 1072-1150

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

Article 25

Documents and information to be made available in the business register

The Member State of registration shall ensure that the following documents and information filed by the EU Inc. **company** in accordance with Article 27 are made publicly accessible in the business register: (AM 124 Rap.)

- (a) the name and legal form of the EU Inc. **company**; (AM 125 Rap.)
- (b) the registered office of the EU Inc. **company**, composed of street name, street number, postal code, **e-mail address** and Member State where it is registered; (AM 126 Rap.)
- (ba) where applicable, group structure, including the parent companies, branches subsidiaries and other controlled entities;** (AM 1075 S&D, AM 1076 Greens)
- (c) where available, details of the **company website or equivalent principal electronic presence of the EU Inc. company and the European Business Wallet;** (AM 127 Rap., AM 1077 EPP)

(ca) the national business identification number or other business identifier assigned to the company for administrative or social security purposes, where such an identifier exists under the law of the Member State of registration; (AM 1078 Rap.)

- (d) the object of the EU Inc. **company**, 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. **company**; (AM 128 Rap.)
- (e) the articles of association and a consolidated version after any amendment in all language versions referred to in Article 7;
- (f) the appointment, termination of office and information of the persons who either as a body constituted pursuant to law, including the board of directors, or as members of any such body:
 - i. are authorised to represent the EU Inc. **company** in dealings with third parties and in legal proceedings; it shall be apparent from the disclosure whether the persons authorised to represent the EU Inc. **company** may do so individually or are required to act jointly; (AM 129 Rap.)
 - ii. take part in the administration, supervision or control of the company;
- (g) any decision to waive the experts' report as referred in Article 65(5);
- (h) the accounting documents for each financial year which are required to be published in accordance with Council Directives 86/635/EEC and 91/674/EEC and Directive 2013/34/EU of the European Parliament and of the Council;

(ha) the balance sheet and solvency test; (AM 130 Rap.)

- (i) where an EU Inc. **company** is or becomes a single-member company, the identity of the sole member;
- (j) the winding up of the EU Inc. **company**;
- (k) the appointment of liquidators, their information and their respective powers, unless such powers are expressly and exclusively derived from law or from the articles of association;
- (l) any termination of a liquidation.

1. Member States shall ensure that the competent courts and other relevant public authorities responsible under national law make available to the business register of registration the following documents and information and that they are publicly accessible in that business register:

- (a) any declaration of nullity of the EU Inc. **company**;
- (b) any other decision related to the EU Inc. **company** with universal effect which is changing the documents or information under paragraph 1.

1a. Where the EU Inc. company is registered as an EU Inc. SO company, the Member State of registration shall ensure that the following documents and information filed by the EU Inc. SO company in accordance with Article 27 are made publicly accessible in the business register:

- (a) the status as an EU Inc. SO company and the date from which it applies;**
- (b) the classes of steward shares and economic shares issued by the EU Inc. SO company and the principal rights and restrictions attached to those classes;**
- (c) the stewardship compliance report referred to in Article 8b, paragraph 1;**
- (d) the assurance statement referred to in Article 8b, paragraph 4. (AM 131 Rap.)**

2. 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. *company* and its EUID;**
- (b) the status of the EU Inc. *company*, 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. compin 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.**

3. 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.

4. Member States shall ensure that digital copies and extracts of the documents and information provided by the register are compatible with the European Digital Identity Wallet as provided for in Regulation (EU) 910/2014 and the Business Wallets referred to in [PO: Reference to Proposal for a Regulation of the European Parliament and of the Council on the establishment of European Business Wallets].

Article 26

Documents and information to be made available through BRIS

1. The following shall be made publicly available through BRIS, *free of charge*: (AM 1096 RE)

- (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**

(ba) the number of employees of the EU Inc. company, including those employed by its branches and subsidiaries, broken down by country, by entity and employment status, including;

- i. full-time and part-time employees,*
- ii. employees on permanent and fixed-term or temporary contracts, and*
- iii. employees provided through temporary work agencies where the EU Inc. company exercises direction over such workers in a manner comparable to direct employment.*

That information shall be updated on a quarterly basis where changes occur. (AM 132 Rap., part. AM 1097 RE, part. AM 1098)

- (c) the information about groups under Article 19b of Directive (EU) 2017/1132 which shall apply mutatis mutandis to EU Inc. companies;
 - (d) at least the information and documents listed in Article 25, 1, points a) to f) and j), and paragraph 3 points a) to c) shall be publicly available free of charge on the business register and on BRIS. The price of obtaining a copy of the other documents and information listed in Article 25 shall not exceed the administrative costs thereof, including the costs of development and maintenance of business registers.
2. Article 19(3) of Directive (EU) 2017/1132 shall apply.

Article 27

Filing and up-to-date register documents and information

1. EU Inc. companies shall file all documents and information referred to in Article 25(1) and Article 40(2) point (a) either through the EU central interface or directly with the business register.
2. EU Inc. companies shall keep up to date their documents and information stored in the business register. The changes shall be filed and the business registers shall be kept up to date in accordance with Article 15 of Directive (EU) 2017/1132. The changes filed shall be subject to preventive control in accordance with Article 14 of this Regulation.
3. Notwithstanding paragraph 2, an EU Inc. companies shall file amendments to the articles of association within 5 days after the amendment resolution has been made. Where filed amendments update the EU template referred to in Article 8, the consolidated version of the articles of association shall be automatically created. Where amendments to articles of association, without using the EU templates referred to in Article 8, are filed, the consolidated articles of association shall also be filed. For amendments within the EU template structure filed through the EU central interface the deadlines and cost limit for the fast-track registration laid down in Article 16(2) shall apply.
4. The documents and information referred to in Article 25(2), including any changes to such documents and information shall be submitted by the competent court or the

public authority directly to the business register within the deadlines laid down in Article 15 of Directive (EU) 2017/1132.

5. All filings of documents and information, including other than those referred to in paragraph 1, with the business register shall be fully online and use electronic identification means in accordance with Regulation (EU) No 910/2014 or Business Wallets referred to in [PO: Reference to Proposal for a Regulation of the European Parliament and of the Council on the establishment of European Business Wallets].
- 5a. ***An EU Inc. SO shall file the stewardship compliance report and the assurance statement referred to in Article 8b with the business register within six months after the end of each financial year. Any change to the information referred to in Article 25, paragraph 1a, points (b) and (c), shall be filed without undue delay. (AM 133 Rap.)***

Article 28

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

1. Where in the context of an administrative or judicial procedure, public authorities need to consult specific information about the EU inc. which is publicly available through BRIS and in the business register, the EU Inc. shall not be requested to submit such information.

Paragraph 1 is without prejudice to the obligation laid down in Union or national law to submit documents ***necessary*** to complete ***specific*** 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. (part. AM 1106 EPP)

2. Member States may establish optional access point for public authorities to have access to BRIS in accordance with Article 22(5) of Directive (EU) 2017/1132.

Article 29

Duty to disclose the identity of companies and branches

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

communication shall include the Member State in which the branch is registered as well as the EUID of that branch.

Article 30

EU Company Certificate

1. The business register of registration shall issue a multilingual EU Company Certificate at the request of an EU Inc. company. The EU Company Certificate shall be accepted in all Member States as sufficient evidence, at the time of its issuance, of the incorporation of the company and of the information contained therein.
2. Business registers shall issue the EU Company Certificate to the EU Inc. in accordance with paragraphs Article 16b (1), (2) and (4) to (7) of Directive (EU) 2017/1132.
3. EU Company Certificate shall be compatible with the European Digital Identity Wallets referred to in Regulation (EU) No 910/2014 and the European Business Wallets referred to in [PO: Reference to Proposal for a Regulation of the European Parliament and of the Council on the establishment of European Business Wallets], where available.

Article 31

Digital EU power of attorney

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

Article 32

Exemption from legalisation and any similar formality and related safeguards

1. Where digital copies and extracts of documents and information about an EU Inc., provided and certified as true copies by a business register, including certified translations, and authenticated by means of trust services referred to in Regulation (EU) No 910/2014 or by means of the European Business Wallets referred to in [PO: Reference to Proposal for a Regulation of the European Parliament and of

- the Council on the establishment of European Business Wallets*], where available, are to be presented in another Member State, they shall be exempted from legalisation and any similar formality in accordance with Article 16d (1) of Directive (EU) 2017/1132.
2. Where digital notarial acts, administrative documents, their certified copies and translations issued in a Member State related to an EU Inc. and authenticated by means of trust services as referred to in Regulation (EU) No 910/2014 or by means of the European Business Wallets referred to in [*PO: Reference to Proposal for a Regulation of the European Parliament and of the Council on the establishment of European Business Wallets*], where available, are to be presented in another Member State, they shall be exempted from all forms of legalisation and any similar formality in accordance with Article 16d (3) of Directive (EU) 2017/1132.
 3. Article 16d (3) of Directive (EU) 2017/1132 shall apply *mutatis mutandis* to the EU Company Certificate referred to in Article 30 and the digital EU power of attorney referred to in Article 31 and to the pre-conversion, pre-merger and pre-division certificates transmitted in accordance with Articles 86n, 127a and 160n of Directive (EU) 2017/1132.
 4. Article 16e of Directive (EU) 2017/1132 shall apply *mutatis mutandis* where authorities of other Member States than the Member State where digital copies and extracts or digital notarial acts were provided, have reasonable doubt as to origin or authenticity, including the identity of the seal or stamp, or have reason to consider that a document has been forged or tampered with.

Article 33

Exemption of translation

1. Translation of copies or extracts of documents related to EU Inc. provided by the business register shall not be required when the specific information needed about EU Inc. can be accessed and consulted:
 - (a) in the articles of association of an EU Inc.; or
 - (b) in the EU Company Certificate referred to in Article 30; or
 - (c) through the system of interconnection of registers and is identifiable through the explanatory labels referred to in Article 18 of Directive (EU) 2017/1132.
2. Without prejudice to paragraph 1, where the articles of association and other documents related to EU Inc. provided by a business register, are to be presented in another Member State, a certified translation can be required only when justified by the purpose for which the document is to be used, such as to meet a mandatory public disclosure requirement or to be presented in judicial proceedings, and it is strictly necessary.
3. Where the submission of a certified translation is justified in accordance with paragraph 2, that requirement shall be deemed fulfilled when the document is

- translated by a AI translation agent approved by the relevant Member State. These translation agents may be integrated as a functionality in the EU Business Wallet.
4. Member States shall decide which AI translation agents are to be approved for use in their administrative and judicial procedures. The Member States shall communicate the list of approved AI translation agents to the Commission and publish it on the EU central interface. The Member States shall update the list where relevant without undue delay.

Article 34

Central digital register

After the establishment of the EU central interface as referred to in Article 15, the Commission shall develop it further towards a central digital register for EU Inc. companies. For that purpose, the Commission shall be empowered to adopt implementing acts by *[PO: 18 months from the date of application of this Regulation]* in accordance with the examination procedure referred to in Article 107 to lay down technical specifications of the central register ~~and to provide for optional guided forms and models for EU Inc. companies.~~ (AM 134 Rap.)

Article 35

Provisions related to BRIS

1. Documents and information referred to in Article 25 and 40 shall be available and searchable through BRIS in all the official languages of the Union in accordance with Article 18(3) of Directive (EU) 2017/1132.
2. The Commission and Member States shall ensure that the exchanges of information and availability of digital copies of documents and information through BRIS under Directive (EU) 2017/1132 apply to EU Inc. companies, unless this regulation provides specific rules. The Commission shall amend the Implementing Regulation 2021/1042 to extend its application to EU Inc companies.
3. The Commission shall ~~adopt, by means of an implementing~~ **delegated acts, in accordance with Article 106b** by *[PO: the last day of the 9th month after the date of entry into force of this Regulation]*, **to** provide for the following: (AM 135 Rap.)
 - (a) establish the multilingual EU templates, including the technical specifications and detailed list of data, as referred to in Article 8;
 - (b) establish the multilingual application forms as referred to in Article 13 and Article 38, the automatic verification referred to in Article 13(7), including the technical specifications and the detailed list of data;
 - (c) the detailed list of data to be transmitted for the purpose of exchanging information between registers and the availability of documents and

information through BRIS, as referred to in Articles 15(3), 19(3), 26, 38(4) and 40;

- (d) the technical specifications on the compatibility between the EU Company Certificate and the EU power of attorney as referred to in Articles 30 and 31, with the Business Wallets referred to in [PO: *Reference to Proposal for a Regulation of the European Parliament and of the Council on the establishment of European Business Wallets*].

CORRESPONDING RECITALS

- (27) In order to increase trust in and transparency about EU Inc. companies, to provide third parties with reliable information and to facilitate EU Inc. companies' operations and activities in the internal market, it is crucial to ensure easy access to information about EU Inc. companies. Therefore, a harmonised set of information about EU Inc. should be made available at Union level through BRIS at the E-Justice portal thanks to the use of multilingual labels, and also in the national business registers, as it is the case for information about other Union companies. In addition, to facilitate communication with stakeholders, EU Inc. companies should disclose their identity through their official business communications and electronic presence, thereby enabling stakeholders to easily identify and contact the company, and be informed of the most relevant information about EU Inc. companies, including their EUID. All stakeholders, including companies, authorities and the public at large, need to be able to rely on company information for business purposes or in administrative procedures such as tax or labour related procedures including posting of workers or judicial proceedings. Therefore, it is important to ensure that information about EU Inc. publicly available through BRIS and in the national business registers is reliable and kept up to date as is the case with information about other EU companies. Trustworthy and up-to-date information also contributes to the fight against fraud and abuse and ensures its use without further formalities in cross-border situations.
- (28) The reliable and up-to date information about EU Inc. companies at Union level through BRIS and in the national business registers should cover information throughout the company lifecycle including its liquidation. The national public authorities should thus be able to fully benefit from this information. At the same time, they should be required to access and consult it without asking EU Inc. companies to separately provide information unless information and documents are needed to fulfil specific procedural requirements such as completing the relevant tax declaration or proving an offer in the context of a public procurement procedure. To further facilitate access to such information, national authorities should have the possibility to directly connect to BRIS through national optional access points. Similarly, the Commission may establish optional access points to systems developed and operated by the Commission or by other Union institutions, bodies, offices or agencies to perform their administrative functions or to comply with provisions of Union law such as the optional access point opened by the European

Banking Authority in the context of Regulation (EU) 2022/2554 of the European Parliament and of the Council¹⁷.

- (29) In order to facilitate its cross-border activities in the internal market, an EU Inc. company should be able to prove that it is legally incorporated in a Member State through simple and reliable means, which other Member States should be required to recognise. Therefore, EU Inc. companies, as other Union companies, should be able to use a harmonised EU Company Certificate, introduced by Directive (EU) 2025/25, for different purposes, including in administrative procedures before national authorities or Union institutions and bodies and in judicial proceedings in other Member States. The EU Company Certificate includes essential company information about EU Inc and is issued and certified by national business registers and available in all official languages of the Union. In addition, EU Inc. should be able to use, as other Union companies, the digital EU power of attorney, which was also introduced by Directive (EU) 2025/25, in order to authorise a person to represent the company in specific procedures with a cross-border dimension. The digital EU power of attorney should be accepted as evidence of the authorised person's entitlement to represent the EU Inc.
- (30) In order to further facilitate cross-border procedures and reduce administrative burden, an EU Inc. should be able to use its company information in cross-border situations, including when dealing with competent authorities or in judicial proceedings in another Member State without burdensome formalities. Therefore, Member States should not be able to require legalisation or any similar formality, such as an apostille, in respect of certified copies of documents and information related to EU Inc. obtained from business registers. Similarly, no legalisation or similar formality should be required for notarial acts or administrative documents and for documents and information exchanged through BRIS, such as pre-operation certificates. At the same time, in order to prevent fraud or forgery, the existing safeguards set out in Directive (EU) 2025/25 should apply, whereby it should be possible for the authorities of the Member State in which the company document or information is presented, where they have a reasonable doubt as to its origin or authenticity, to verify the document or information via the issuing register or via the register in their own Member State.
- (31) The existing Union company law acquis, in particular Directive (EU) 2025/25, has already made significant advances in overcoming the language barriers in company law procedures and the EU Inc. companies should benefit from those. Following the calls from companies, and in particular the startup community, to make the procedures for setting up and investing into companies available in a language customary in the sphere of international business and finance as much as possible, this Regulation makes further progress by introducing a bilingual application form and standardised articles of association, available in the official language or languages of a Member State of registration and in a language customary in the sphere of international business and finance. The public availability of both language versions of the articles of association in the business register and via BRIS will provide investors, creditors and public authorities with access to the most important

¹⁷ Regulation (EU) 2022/2554 of the European Parliament and of the Council of 14 December 2022 on digital operational resilience for the financial sector and amending Regulations (EC) No 1060/2009, (EU) No 648/2012, (EU) No 600/2014, (EU) No 909/2014 and (EU) 2016/1011 (OJ L 333, 27.12.2022, pp. 1–79), ELI: <http://data.europa.eu/eli/reg/2022/2554/oj>

company document in a language customary in the sphere of international business and finance. The use of a language customary in the sphere of international business and finance in this essential document also significantly reduces the need for translations and therefore, the administrative burden and costs for companies and stakeholders operating in the internal market. In this context, translation of copies or extracts of documents related to EU Inc. companies should not be required where the specific information can be accessed, e.g., in the EU Inc. company's articles of association or through BRIS. Certified translation should only be required where strictly necessary, for example, where the documents are to be made publicly available in a business register or in the context of judicial proceedings.

CA 4

Compromise amendment on Chapter IV

Compromise amendment replacing all relevant amendments, including AMs 136-141, 1151-1185 (later check recitals 17-19)

CHAPTER IV - CROSS-BORDER BRANCHES

Article 36

General principles

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

Article 37

Branch registration

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

Article 38

Branch application form

1. ~~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. (AM 1158 ECR, AM 1159 S&D)
2. The application form shall be electronically signed by ~~a~~ ***the director or directors authorised to do so in accordance with Article 43(2)*** of the EU Inc. identified through electronic identification means in accordance with Regulation (EU) 910/2014 or Business Wallets referred to in [*PO: Reference to Proposal for a Regulation of the European Parliament and of the Council on the establishment of European Business Wallets*].
3. The application form shall include the information referred to of Article 40 (2) point (b) as well as specific information needed for:
 - (a) issuing the tax identification number, TIN for the branch;
 - (b) issuing the VAT identification number for the branch.
 - (c) The business register registering the branch shall automatically retrieve from BRIS and on the basis of the EUID the information about the EU Inc. referred to in point Article 40 (2) point (a).
4. The EU Inc. registering the branch shall not be required to provide any information and documents relevant for the branch registration procedure that are available in BRIS. ***Where the information made available pursuant to paragraph 1 is insufficient for the purpose of establishing employer status or verifying compliance with social security or labour law, the competent authorities may request such additional information that is necessary.*** (AM 136 Rap., part. AM 1166, 1170 Greens, AM 1168 Left, 1169 EPP)

Article 39

Once-only submission of branch and company data to authorities

1. Following the registration of a branch of an EU Inc. ***company***, with the business register, that business register shall immediately exchange in digital form the information about the EU Inc. ***company***, 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. ***company*** and the branch with the social security authorities. (AM 137 Rap.)

2. The EU Inc. and its branch shall not be required to provide any information available in the business register of the branch, available through BRIS or included in the application form, to the public authorities and the beneficial ownership register referred to in paragraph 1.
3. The cross-border branch of the EU Inc. shall obtain the TIN and the VAT identification number from the authorities in charge of issuing them electronically and without delay. Neither the EU Inc. nor its branch shall be required to submit a separate application to those public authorities or to provide additional information unless it cannot be retrieved elsewhere and is strictly necessary for the purposes of issuing VAT identification number.
4. The business register referred to in paragraph 1 shall transmit the public authorities referred to in paragraph 1, automatically and digitally, any changes to the information about ~~an~~ **the EU Inc. company or its branch** that those public authorities have received in accordance with paragraph 1.

Article 40

Availability of documents and information regarding branches

1. Information and documents about a branch registered by an EU Inc. which is governed by the law of another Member State shall be publicly available, ***free of charge***, in the business register of the branch in accordance with Article 16 (3) to (6) of Directive (EU) 2017/1132 and through BRIS. (AM 1171 RE)
2. The compulsory disclosure shall cover the following information only:
 - (a) about the branch:
 - i. the name of the branch;
 - ii. the address of the branch, ***composed of street name, street number, postal code, e-mail address and Member State where it is registered***; (to mirror information above)
 - iii. the activities of the branch;
 - iv. ***the decision to open/set up a branch***, 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, ***as well as their termination of office, if applicable***; (AM 1175 RE, AM 138 Rap., AM 1174 Greens)
 - iva. ***the number of employees of the branch, broken down by employment status, including:***
 - i. ***full-time and part-time employees***
 - ii. ***employees on permanent and fixed-term or temporary contracts, and***

iii. employees provided through temporary work agencies where the EU Inc. company exercises direction over such workers in a manner comparable to direct employment;

That information shall be updated on a quarterly basis where changes occur. (AM 139 Rap., part. AM 1176 RE, AM 1177 Greens, AM 1178 Left)

ivb. the closure of the branch;

(b) about the EU Inc.:

- i. the business register of the EU Inc.;
- ii. the name of the EU Inc.;
- iii. the legal form of the EU Inc.;
- iv. the registered office of the EU Inc.;
- v. the registration number of the EU Inc.;
- vi. the EUID of the EU Inc.;
- vii. the appointment and information about the persons who are authorised to represent the company in dealings with third parties and in legal proceedings as a company organ constituted pursuant to law or as members of any such organ, in accordance with the disclosure by the company as provided for in Article 25;
- viii. the winding-up of the EU Inc., the appointment of liquidators, information concerning them and their powers and the termination of the liquidation in accordance with disclosure by the EU Inc. as provided for in Article 25;
- ix. insolvency proceedings, arrangements, compositions, or any analogous proceedings to which the EU Inc. is subject;
- ~~x. the closure of the branch.~~

3. The automatic exchange of information between the business register where the company is registered and the register of the branch under Article 30a of Directive (EU) 2017/1132 shall apply to the changes of information about the EU Inc.
4. The automatic exchanges of information between the business register where the company is registered and the register of the branch under Articles 20, 28c and 34 of Directive (EU) 2017/1132 shall apply *mutatis mutandis* to EU Inc. companies and their cross-border branches.

Article 41

Cross-border ~~mobility~~ conversions, divisions and mergers

An EU Inc. shall carry out cross-border conversions, divisions and mergers in accordance with Chapters -I, I, II and IV *of Title II* of Directive (EU) 2017/1132. *Where an EU Inc. company transfers its registered office to another Member State, Chapter -I of Title II of Directive (EU) 2017/1132 applies mutatis mutandis.* (AM 140 Rap.)

An EU Inc. SO company shall carry out national and cross-border conversions, mergers or divisions only where the new legal entity, the acquiring legal entity or the recipient legal entity offers a comparable separation of control and economic rights as referred to in Article 42(5). An EU Inc. SO company is not permitted to convert into a non-steward-owned EU Inc. company. The Commission shall publish and maintain a list of national legal forms and mechanisms deemed to provide such equivalent guarantees for the purpose of cross-border recognition. An EU Inc. SO company may transfer its assets to a recipient company without observing the safeguards specified in sentence 1, provided that all shares in the recipient company are held by the EU Inc. SO company. An EU Inc. SO company is not permitted to convert into a non-steward-owned EU Inc. company. (AM 141 Rap.)

CA 5

Compromise amendment on Chapter V

Compromise amendment replacing all relevant amendments, including AMs (142-147, 1186-1262

CHAPTER V – ORGANISATION

Article 42

Company bodies

1. The articles of association shall lay down the rules concerning the organisation of the EU Inc. company and the conditions under which it is managed.
2. The **EU Inc.** 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 **permanently** be resident in the Union. *A change in residency that results in non-compliance with this requirement shall be notified to the business register without delay.* (part. AM 1186 Greens, AM 1187 EPP)
3. The board of directors may exercise all the powers of the **EU Inc.** company that are not required, by the applicable rules in accordance with Article **4 1a**, to be exercised by the general meeting or by another statutory body. (AM 142 Rap.)
- 3a. *In an EU Inc. SO company, only holders of steward shares shall exercise the powers of the general meeting, except where this Regulation or the articles of association require a decision, consent or approval of the holders of economic shares for the protection of the rights attached to those economic shares. Such class rights shall not enable holders of economic shares to remove, waive, suspend or circumvent the permanent separation of control rights and economic participation rights.* (AM 143 Rap.)

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 1a or applicable employee participation rules.

The first subparagraph of this paragraph is without prejudice to the rights assigned to a supervisory board where the national law applicable to the relevant national legal form referred to under Article 1a, paragraph 6, designated by the Member States provides for the establishment of a supervisory board or where the articles of association of an EU Inc. company provide for the establishment of a supervisory board. (AM 144 Rap., AM 1196, 1202 Greens, part AM 1200 RE)

Article 43

Representation of the company

1. The EU Inc. company shall be represented by its directors. If the EU Inc. company has several directors, they shall represent the company jointly and shall be referred to as ‘co-directors’.
- 1a. In an EU Inc. SO company, the duty according to paragraph 1 includes the duty to preserve the permanent separation of control rights and economic participation rights and to prevent its circumvention.** (AM 145 Rap.)
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 with other directors**. Such ~~limitation of the power of representation~~ may only be relied upon against third parties where it is made publicly available in accordance with Articles 25 and 27.
3. Other limitations on the powers of representation of the directors arising from the articles of association or from a decision of a statutory body may not be relied upon against third parties.
4. The EU Inc. company shall be bound by the acts performed by its directors, even where those acts are beyond the scope of its object.
5. The directors may delegate any of their powers to individuals who, in exercising the delegated powers, shall adhere to any legal obligations imposed on directors.

Article 44

Directors’ duties

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

2. A director shall be liable to the company for any act or omission in breach of a duty deriving from this Regulation, the articles of association or a resolution of the general meeting, which causes loss or damage to the company. (AM 146 Rap.)
3. A director shall not be liable to the company:
 - (a) for any damage or loss incurred by the company resulting from a business decision provided that he or she acted in good faith, exercised the care that a reasonably prudent person would use, and had the reasonable belief that he was acting in the best interests of the company;
 - (b) for any damage or loss incurred by the company resulting from an action taken based on a lawful resolution of the general meeting.
4. The liability of directors shall be further governed by the applicable national law.

Article 44a

Directors' duties in an EU Inc. Group with wholly owned EU Inc. subsidiaries

1. *If an EU Inc. subsidiary company is wholly owned by an EU Inc. parent company, the interests of the EU Inc. subsidiary company are co-shaped by the group interests.*
2. *In a wholly owned EU Inc. subsidiary, the members of its board of directors do not act in breach of their duties if they follow an instruction by the EU Inc. parent company that is disadvantageous to the EU Inc. subsidiary company provided the following conditions are met:*
 - (a) the group, together with all of its companies, is structured in a sensible and well-planned manner;*
 - (b)) the written group policy is designed, among other things, to ensure that all group companies share in the group's overall success;*
 - (c) specific instructions and measures from the EU Inc. parent company that might be disadvantageous for the wholly owned EU Inc. subsidiary company must serve the implementation of the group policy and must be kept within the limits set by the group policy and do not threaten the continuity of the wholly owned EU Inc. subsidiary company;*
 - (d)) the group has an information policy in place that ensures all managements within the group receive the information necessary to identify potential disadvantages and to address them over a period of up to five years;*
 - (e) disadvantages for the wholly owned EU Inc. subsidiary company induced or caused by the EU Inc. parent company have to immediately be assessed against the requirements under points (b) and (c) and the compensation of any disadvantages within a period of five years has to immediately be defined in terms of scope and timing;*
3. *It is the duty of the management of the EU Inc. parent company and of the wholly owned EU Inc. subsidiary company to ensure that conditions under (b) to (e) are met, as well as to ensure that any disadvantages are compensated within five years.*

4. *Specific instructions and measures from the EU Inc. parent company that comply with requirements under paragraph 2, (b) to (e) are not covered by Article 72(3) of this Regulation.*

(AM 1224 Rap.)

Article 45

Directors' conflicts of interest

1. Unless otherwise provided in the articles of association, a director shall inform the board of directors or, in the event of a sole director that is not at the same time the only shareholder, the general meeting, **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.
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 **supervisory board, if so provided in the articles of association**, or the articles of association have authorised the director to take part in such decision.

Article 46

Related party transactions

1. The articles of association may:
 - (a) require that certain or all transactions between the EU Inc. and all or certain directors, shareholders or related parties are approved by or brought to the attention of the board of directors, the general meeting or of the directors or shareholders not involved in those transactions;
 - (b) specify related party transactions that, due to their purpose, price or any other feature of the transaction, are deemed to conflict with the EU Inc. company's best interests and shall not be concluded.
 2. When a transaction is concluded with a director or a shareholder in breach of the relevant provisions of the articles of association adopted pursuant to paragraph 1, that director or shareholder concerned shall be liable for any damage caused to the EU Inc. company as a result of that transaction.
 3. In case an EU Inc. is a single-member company, contracts between the sole member and the company as represented by that sole member shall be drawn up in writing, except for contracts related to current operations concluded under normal conditions.
- 3a. *This is without prejudice to the rights assigned to a supervisory board where the national law applicable to the relevant national legal form referred to in Article 1a, paragraph 6, designated by the Member States provides for the establishment of a supervisory board or where the articles of association of an EU Inc. company provide for the establishment of a supervisory board.* (AM 147 Rap.)

Article 47

Meetings and voting by electronic means

1. The general meeting, ~~and~~ meetings of the board of directors **and meetings of other company 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.

2. The board of directors shall determine the electronic communication means to be used.
3. In case of online and hybrid general meetings, **the EU Inc.** company shall ensure that shareholders are able to:
 - (a) attend and participate in the meeting in real-time;
 - (b) exercise their voting rights;
 - (c) be identified by electronic means considered valid by the board of directors to ensure the authenticity of the participation.

Article 48 ***Written resolutions***

1. Decisions of shareholders shall be adopted at the general meeting, unless the articles of association provide that decisions may be adopted without a meeting by means of written resolutions or all shareholders agree in writing to cast votes in writing.
2. A written resolution is passed when the required **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:
 - (a) the text of the proposed resolution is sent or made available digitally to all shareholders ***in a timely manner and in a form that allows them to understand the implications of the decision;*** (AM 1241 S&D)
 - (b) their consent is expressed in a durable and verifiable manner (including by simple digital exchange); and
 - (c) the identity of the persons expressing consent can be reliably established.
4. Written resolutions adopted in accordance with this Article shall have the same legal effect as decisions adopted at a general meeting.
5. In case an EU Inc. **company** is a single-member company, decisions adopted by the sole shareholder exercising the powers of the general meeting shall be drawn up in writing.

Article 49 ***Quorum and majorities***

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

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

Article 50

Amendment of the articles of association

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

Article 51

Protection of class rights

1. Where a decision of the general meeting or of the board of directors would modify or alter the specific rights, preferences, or privileges attached to a class of shares, such decision shall not take effect without the approval of the holders of that class.
2. Unless otherwise provided in the articles of association, the following events shall amongst other be deemed to modify or alter the rights of a class:
 - (a) reducing the nominal value (if any) or the dividend rights of that class;
 - (b) altering the order of priority for distribution of profits or liquidation proceeds;
 - (c) creating a new class of shares having rights superior to the rights attached to an existing class.
3. Unless the articles of association provide otherwise, the approval referred to in paragraph 1 shall require the qualified majority of two-thirds of the votes cast within the impacted class of shares **and shall be preceded by clear, timely and comprehensible information about the proposed modification, its rationale and its expected impact on that class, including on minority holders.** (AM 1253 S&D)

Article 52

Withdrawal of a shareholder

1. Upon application by a shareholder of an EU Inc. company, the competent court shall order the EU Inc. and the other shareholders to acquire that shareholder's shares if it finds that the company's affairs are being or have been conducted in a manner oppressive to him or her.
2. The application referred to in paragraph 1 shall be filed against the EU Inc. company and all other shareholders.
3. Where the competent court finds in favour of the applicant, the EU Inc. company shall, on the account of the other shareholders and in proportion to the number of shares they hold, purchase the shares held by the applicant at a price corresponding to the fair value determined by the court on the date of service of the application referred to in paragraph 1. **Where possible, the court shall give priority to the EU Inc. acquiring the applicants' shares and shall only on a subsidiary basis order the other shareholders to acquire those shares.** ~~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, *shall be specified where possible* and may vary *depending on the number of shares held by them. During that period, the voting rights attached to the applicant's shares shall not apply.*

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. (part AM 1257 RE)

CORRESPONDING RECITALS

- (32) EU Inc. companies should have the flexibility to organise and manage their business in accordance with their divergent needs in terms of their size, activities or market needs. Therefore, shareholders should have the freedom to determine the organisation of the EU Inc. in the articles of association while complying with the harmonised requirements laid down in this Regulation. The EU Inc. should have a board of directors with one or more directors who are natural persons and at least one director should be resident in the Union. The EU Inc. may also have additional bodies, such as a supervisory body.
- (33) To effectively manage the EU Inc. company, the board of directors should be able to exercise all powers of the company, with the exception of important matters which are reserved for the general meeting or another company body, such as the approval of annual accounts. The general meeting should also have the power to appoint or dismiss a director at any time, regardless of any terms of office agreed between the company and the director. As a principle, directors should jointly represent the EU Inc. as ‘co-directors’, but shareholders could decide that all or certain directors can represent the company individually.
- (34) Directors of all EU Inc. companies should be subject to a harmonised set of general directors’ duties. These general duties, set out in this Regulation, should not alter or exclude any further duties that may apply in specific situations, such as the duties set out in Article 19 of Directive (EU) 2019/1023 of the European Parliament and of the Council¹⁸ where there is a likelihood of insolvency. While exercising their mandates, directors of EU Inc. companies should act in good faith, with reasonable care, skill and diligence, which also includes ensuring that they have sufficient information so that their decisions serve the best interests of the company. Acting in the company’s best interest should also entail the duty to avoid conflicts of interest whereby the directors should inform the board of directors or the general meeting about any conflicts of interest and should generally not be part of decisions involving any such conflicts.
- (35) In view of the diversity of possible sizes, management structures and shareholder structures of an EU Inc. company, such companies should not be subject to a uniform rule imposed by Member States for the treatment of transactions with company-related parties. However, to protect the interests of certain or all shareholders, an EU Inc. company should be able to stipulate in the articles of association that certain transactions which are directly or indirectly concluded with certain company-related parties, such as directors and shareholders, need to be submitted to the general meeting

¹⁸ 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>

or another company body for approval or brought to its attention. Shareholders should be able to adapt the required form of approval or information procedures in the articles of association for them to best fit the company size and corporate structure.

- (36) In order to facilitate and speed up the decision-making in EU Inc. companies, regardless of their Member State of registration, the rules on decision-making should be harmonised. It should be ensured that both Union and third country shareholders are able to participate in general meetings, that such meetings may be held fully online or in hybrid form, and that all shareholders can be reliably identified, participate and vote during such meetings. Similarly, in order to render the decision making more efficient, in certain situations, it should be possible to take decisions through written resolutions which could also be adopted by electronic means. Decisions should be adopted according to a quorum and based on majority requirements, while the shareholders have the flexibility to amend those in the articles of association. However, due to the significant importance of the articles of association for the company, amendments to them should be adopted under qualified majority to provide protection to minority shareholders. Harmonised rules should be set out on specific aspects where an EU Inc. is or becomes a single-member company, including on making this information publicly available in business registers and through BRIS to provide third parties with reliable information. The rules in this proposal are in line with rules for other single-member companies in the EU, set out in Directive 2009/102/EC of the European Parliament and of the Council¹⁹.
- (37) In order to strike a balance between the significant influence of majority shareholders and the board of directors, the important autonomy granted by the articles of association of EU Inc. and the need for minority shareholder protection, a right of withdrawal should be provided for minority shareholders in exceptional cases of flagrant prejudice. Scenarios that could justify such a withdrawal may include, for example, cases where the company has been deprived of a significant proportion of its assets, where the general meeting has instructed directors to miss a significant business opportunity without the consent of the withdrawing shareholder or where the company's activities have changed substantially. However, the assessment of whether the company's affairs are being conducted in an oppressive manner should be reserved to the competent court, which should take into account all relevant circumstances of the individual case.

CA 6

Compromise amendment on Chapter VI

Compromise amendment replacing all relevant amendments, including AMs 148-157, 1263-1387

¹⁹ Directive 2009/102/EC of the European Parliament and of the Council of 16 September 2009 in the area of company law on single-member private limited liability companies (Codified version) (OJ L 258, 1.10.2009, pp. 20–25), ELI: <http://data.europa.eu/eli/dir/2009/102/2013-07-01>

CHAPTER VI – DIGITAL REGISTER, SHARES AND SHARE TRANSFERS

Article 53

Registered shares

1. The shares of the EU Inc. shall be dematerialised and recorded into a digital register of shares. The registration of shares into the digital register of shares shall have constitutive effect and evidence the ownership of the shares. ***The digital register of shares shall be accessible through the business register and kept up to date without undue delay. (AM 148, Rap.)***
2. The articles of association may provide that shares are issued, recorded and transferred using distributed ledger technology or other digital solutions. ***The use of distributed ledger technology or other digital solutions shall ensure equivalent levels of legal certainty, traceability and access to ownership information as traditional share registers, including for employee shareholders and competent authorities. (AM 149, Rap.)***
3. The EU Inc. company shall not have bearer shares.

Article 54

Digital register of shares

1. Every EU Inc. shall create upon registration and maintain an up-to-date digital register of shares, ***accessible through the business register***, ensuring the integrity and security of the register, which shall contain at least the following information: *(AM 150, Rap., AM 1280 Greens, AM 1281 Left)*
 - (a) the identity, ***address and e-mail*** address of all the shareholders; *(AM 151, Rap.)*
 - (b) the identifier assigned for each share;
 - (c) if shares have a nominal value, their nominal value;
 - (d) the date of subscription of each share;
 - (e) if applicable, that the share is redeemable;
 - (f) the amount of each consideration in cash, if any, paid or to be paid, by the shareholder concerned;
 - (g) the value and nature of each consideration in kind, if any, provided or to be provided by the shareholder concerned;
 - (h) the date of acquisition of transferred shares;
 - (i) the sequence number assigned to each share transfer;
 - (j) where there are multiple classes of shares, the class of each share;
 - (k) where a share is owned by more than one shareholder, identity and address of a common representative;
 - (l) if any, the information about encumbrances, pledges, or restrictions on the shares and the name of their beneficiaries.
2. The digital register of shares shall be accessible to any shareholder and any other interested party with a legitimate interest, ***including employees and their***

representatives and trade unions, in accordance with Regulation (EU) 2016/679. (AM 152, Rap., AM 1297 Greens, AM 1298 Left)

3. At the request of a shareholder and after each transfer of shares, the EU Inc. company shall deliver, without undue delay, a digital share certificate to the new shareholder. The digital share certificate shall confirm the entitlement of that person to the status of a shareholder.
4. The digital share certificate shall contain the following elements:
 - (a) an excerpt from the digital share register regarding all the information specified in paragraph 1 concerning the ownership of the shareholder requesting the certificate,
 - (b) the main legal information concerning the EU Inc., including at least its registered office, its EUID and the total number of its shares,
 - (c) a digital timestamp providing a certain date for the entry in the register,
 - (d) a statement regarding any recorded encumbrances, pledges, or restrictions on the shares.
 - (e) Member States shall not impose any additional requirements concerning the minimum content or form of the digital share certificate.
5. The digital share certificate shall be dated using a qualified electronic time stamp, and sealed using a qualified electronic seal or signed using qualified electronic signature by the company or a member of the board of directors, or a person authorised by the board of directors, in accordance with Regulation (EU) No 910/2014 or Business Wallets referred to in [PO: Reference to Proposal for a Regulation of the European Parliament and of the Council on the establishment of European Business Wallets].

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

Article 55

Equality of shares and classes of shares

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

3a. In an EU Inc. SO company the articles of association shall provide for steward shares and may provide for economic shares in accordance with Article 8a. (AM 153, Rap.,

Article 56
Exercise of shareholder rights

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

2a Employees holding warrants under the EU-ESO shall have the right to attend the general meeting. (AM 1315 Rap., AM 1316 Left)

3. The EU Inc. company shall provide shareholders ***and employees holding warrants under the EU-ESO*** with sufficient information regarding the items on the agenda of the general meeting prior to that meeting. *(AM 1317 Left, AM 1318 Rap.)*
4. Every shareholder ***and each employee holding warrants under the EU-ESO*** 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. *(AM 1319 Left, AM 1320 Rap.)*
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. ***The articles of association may derogate from this provision only where a supervisory board is appointed.*** *(AM 1321 Left, AM 1322 Rap.)*

5a. The exercise of shareholder rights by employees participating in an EU-ESOP, including the rights provided for in Article 56, shall not constitute a ground for dismissal or any other adverse treatment or retaliation by the employer. (AM 1323 Rap.)

5b. The EU Inc. company may entrust the maintenance and verification of the digital register of shares to a notary or another qualified legal professional in order to ensure compliance with anti-money laundering requirements and the accuracy of the register. (AM 1310 Greens, AM 1312 Left, AM 1324 Rap., AM 1327 Left)

6. Shareholders holding at least one-tenth (1/10) of the number of shares may at any time request the competent court or administrative authority to appoint an independent expert to carry out an investigation on suspicions of a material breach of law or of the articles of association by the company. The request shall state the specific grounds for suspicion and the purpose of the investigation.

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

7. The competent court or administrative authority shall determine the scope of the investigation referred to in paragraph 6. The expert shall be allowed access to the company's documents and records by the company and to require information from the board of directors for the purpose of the investigation. The expert shall submit a report on the result of the investigation which shall be made available to all shareholders. The report shall not include trade secrets or sensitive commercial information.

8. The remuneration of the independent expert referred to in paragraph 6 shall be paid by the company. The articles of association may provide that shareholders requesting an investigation shall reimburse the company for the remuneration where the report does not establish any material breach of law or of the articles of association.

Article 56a

Duty of loyalty of shareholders

1. *Shareholders shall exercise their rights and perform their obligations in good faith and with due regard to the legitimate interests of the EU Inc. and of the other shareholders.*
2. *The exercise of shareholder rights shall not constitute an abuse of majority or minority position resulting in unfair prejudice to the company or to other shareholders. (AM 154 Rap., AM 1329 Greens)*
3. *Specific instructions and measures of EU Inc. parent company that are disadvantageous for a wholly owned EU Inc. subsidiary company may only be adopted if these disadvantages are compensated. (AM 1330 Rap.)*

Article 57

Voting rights

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

Article 58

Transfer of shares

1. Shares in the EU Inc. shall be freely transferable unless otherwise provided by the articles of association.
2. The transferee and the transferor shall be jointly liable to the company for any consideration for shares that is still outstanding at the time of transfer.

Article 59

Digital procedure for the transfer of shares

1. The transfer of shares and the registration of a transfer of shares in the digital register of shares may be concluded fully online.

2. Member States shall not impose any requirements or conditions restricting the ability to conclude the transfer of shares and the registration of a transfer of shares fully online.
3. The transfer of shares shall be deemed to be valid through an agreement sealed using a qualified electronic seal or signed using qualified electronic signature within the meaning of Regulation (EU) No 910/2014, including through the European Business Wallets as referred to in [PO: Reference to Proposal for a Regulation of the European Parliament and of the Council on the establishment of European Business Wallets].
4. Where a party is unable to provide a qualified electronic seal or a qualified electronic signature referred to in sub-paragraph 1, the transfer may be concluded via an advanced electronic signature or advanced electronic seal within the meaning of Regulation (EU) No 910/2014, provided it is accompanied by evidence of identity verified through a qualified trust service provider within the meaning of Regulation (EU) No 910/2014.
5. Member States ***shall provide for proportionate verification procedures concerning the verification of the identity, the legal capacity of the parties, their authority to transfer the shares and the compliance with anti-money laundering requirements.*** (AM 1351 Left, AM 1352 Rap., AM 1346 ECR, AM 1348 EPP, AM 1350 Greens)
6. The transfer of ***ownership of the*** shares shall only become effective ***only*** 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). (AM 1353 Rap.)
7. Upon receipt of a complete notification of a share transfer, the EU Inc. company shall review the documentation to verify the legal title of the transferor to transfer the share and compliance with the company's articles of association.
8. The EU Inc. company shall register the transfer in its digital register of shares or inform the parties to the agreement on the grounds for refusing the registration within three working days of receiving the complete notification under paragraph 4.
9. The EU Inc. company shall issue a digital share certificate to the new shareholder immediately upon registering the transfer in the digital register of shares.
10. Any rectification of the data recorded in a digital register of shares in cases of manifest errors, technical errors, fraud, or where the company fails to record a validly executed transfer shall be carried out in accordance with national law.

Article 60

Access to public markets for shares

1. Member States shall ~~not prohibit~~ ***ensure that the shares of*** an EU Inc. company ~~from seeking admission to trading of its shares~~ ***are neither tradable*** on a multilateral trading facility ***nor on a regulated market***, ~~provided that the company complies with the applicable requirements under Union and national laws.~~ (AM 156 Rap., part. AM 1374 Greens, AM 1376 Left)
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.~~
(AM 157 Rap.)

CORRESPONDING RECITALS

- (38) Each EU Inc. company should be responsible for establishing and updating its digital share register. It should also be possible to delegate it to a third party who will be in charge of it on behalf of the company. To account for the application of new technologies, the requirements as regards shares, the digital share register and the digital share certificate should be understood as technologically neutral. Provided that the EU Inc. company meets the requirements for the digital share register and the digital share certificate, it should be free to choose how to establish and maintain the register, including the choice of whether to use distributed ledger technology for this purpose or not and whether digital share certificates should be provided in tokenised form or not. Keeping the digital register updated also entails that every share transfer is recorded and that the shareholder receives a share certificate confirming his or her status as a shareholder.
- (39) In line with the free movement of capital and to guarantee that companies have the necessary freedom to scale up and attract new investors, it should be ensured that share transfers occur without restriction, unless otherwise provided in the articles of association. Share transfers are understood to encompass both acquisitions and transfers free of charge, such as donations, and they may pertain to either complete ownership or a fraction of it.
- (40) While all shares should have equal rights and obligations, the EU Inc. should also be allowed to decide that classes of shares have different economic or voting rights to adapt to the requirements of certain shareholders. Member States should not prohibit or condition such distinctions by national law. Different economic or voting rights may serve a variety of purposes. For example, they may allow founders to protect the company against hostile takeovers.
- (41) To provide an EU Inc. company with a wide spectrum of financing options and its investors with credible exit opportunities, thereby enhancing the free movement of capital within the Union and from third countries, the trading of the securities of an EU Inc. company should not be limited to debt instruments. An EU Inc. company should have the possibility to access multilateral trading facilities such as SME growth markets for the trading of its shares and Member States should not prohibit such access. Where an EU Inc. company seeks the admission of its shares to trading on such markets, it should comply with all applicable requirements under Union and national laws, including those already harmonised through Regulation (EU) No 596/2014²⁰ on market abuse and Directive (EU) 2024/2810²¹ on multiple-vote share structures in

²⁰ Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/(OJ L 173, 12.6.2014, pp. 1–61), ELI: <http://data.europa.eu/eli/reg/2014/596/2024-12-04>

²¹ Directive (EU) 2024/2810 of the European Parliament and of the Council of 23 October 2024 on multiple-vote share structures in companies that seek admission to trading of their shares on a multilateral trading facility (OJ L, 2024/2810, 14.11.2024), ELI: <http://data.europa.eu/eli/dir/2024/2810/oj>

companies that seek admission to trading of their shares on a multilateral trading facility.

- (42) To further support scaleups and other more mature EU Inc. companies in meeting their equity financing needs, Member States may allow an EU Inc. company to seek admission to trading of its shares on a regulated market. Such access should equally require compliance with all applicable Union and national laws, for example the requirements set out in Regulation (EU) 2017/1129²² on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, Directive 2007/36/EC²³ on the exercise of certain rights of shareholders in listed companies and Directive 2004/109/EC²⁴ on the harmonisation of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market.

CA 7

Compromise amendment on Chapter VII

Compromise amendment replacing all relevant amendments, including AMs 158-162, 1388-1463

CHAPTER VII – FINANCING

Article 61

Non-par value of shares

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

Article 62

Amount of capital

1. The company is not required to have a minimum amount of capital nor is it required to build up capital or legal reserves over time.

²² Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (OJ L 168, 30.6.2017, pp. 12–82), ELI: <http://data.europa.eu/eli/reg/2017/1129/2024-12-04>

²³ Directive 2007/36/EC of the European Parliament and of the Council of 11 July 2007 on the exercise of certain rights of shareholders in listed companies (OJ L 184, 14.7.2007, pp. 17–24), ELI: <http://data.europa.eu/eli/dir/2007/36/2024-01-09>

²⁴ Directive 2004/109/EC of the European Parliament and of the Council of 15 December 2004 on the harmonisation of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market and amending Directive 2001/34/EC (OJ L 390, 31.12.2004, pp. 38–57), ELI: <http://data.europa.eu/eli/dir/2004/109/2024-01-09>

2. The capital of the company shall be expressed in euro or, in Member States in which the official currency is not the euro, the official currency of the Member State of registration.
3. Where the company issues shares with a nominal value, the contribution to capital for each share shall be equal to its nominal value. The capital shall be fully subscribed.

Article 63

Maintenance of equity

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

Article 64

Consideration for shares

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

Article 65

Requirements for in-kind considerations

1. Considerations in kind, ***including the performance of work or services of an undertaking***, may be contributed to capital, ~~unless they take the form of an undertaking to perform work or supply services.~~ (AM 158 Rap.)
2. All in-kind considerations for shares shall have a determinable value. The value of in-kind considerations for the first shares shall be specified in the articles of association. Where new shares are issued against a consideration in kind, the value of the consideration shall be specified in the decision on the issuance of the shares.

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

Article 66 ***Issuance of first shares***

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

Article 67 ***Issuance of new shares***

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

of Regulation (EU) No 910/2014, provided it is accompanied by evidence of identity verified through a qualified trust service provider within the meaning of Regulation (EU) No 910/2014.

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

7. A subscription for new shares shall indicate the subscriber, the share issue decision on which the subscription is based, the shares that are being subscribed for, any consideration to be paid and if any part of the consideration is to be contributed to capital. ***Member States may provide for the verification of the identity, the legal capacity and the compliance with anti-money laundering requirements.*** (AM 159 Rap., AM 1423 Left)
8. The board of directors shall register newly subscribed shares without undue delay once any consideration immediately due upon subscription has been fully paid and all terms of subscription have been met.
9. The board of directors shall update the number of shares and, where a contribution to capital is made, the amount of capital indicated in the articles of association in accordance with Article 27.

Article 68

Instruments entitling to new shares

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

Article 69

Pre-emptive rights

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

Article 70 ***Capital increase***

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

Article 71 ***Capital increase from reserves***

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

Article 72 ***Distributions***

1. The general meeting shall decide on distributions.
2. The articles of association may authorise the board of directors or another company body to decide on distributions.
3. The decision on a distribution shall only take effect if the board of directors certifies in a statement signed by all ***directors or directors authorised to represent the company***

pursuant to Article 43 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, (part. AM 1437 EPP)

- (a) the total amount of assets as set out in the most recent balance sheet would remain greater than the total amount of liabilities and capital (balance sheet test), and
- (b) the company will be able to pay its debts as they fall due in the normal course of business in the 12 months following the date of the distribution (solvency test).

The board of directors shall record in writing the assessment demonstrating compliance with the balance sheet test and the solvency test prior to any distribution. Such record shall be retained by the company for a period of at least five years and shall be made available to the competent judicial or administrative authority upon request. (AM 1441 EPP)

- 4. Where the company carries out a distribution in violation of paragraphs 1, 2 or 3 or where the directors signing the statement referred to in paragraph 2 knew or, in view of the circumstances, should have known at the time of the statement that, following the distribution, the total amount of assets of the company would not remain greater than the total amount of liabilities and capital or that the company would no longer be able to pay its debts in the 12 months following the date of distribution, they shall be jointly and severally liable to the company for all damages resulting from the distribution.
- 5. Where a shareholder has received a distribution carried out in violation of paragraphs 1, 2 or 3 or where the shareholder knew or, in view of the circumstances, should have known at the time of the distribution that, following the distribution, the total amount of assets of the company would not remain greater than the total amount of liabilities and capital or that the company would no longer be able to pay its debts in the 12 months following the date of distribution, the shareholder shall be required to return the distribution to the company to the extent that commitments entered into with creditors so require.

Article 72a

Cash Pool

- 1. ***A cash pool within a group of EU Inc. companies must be based on an agreement between all the group companies involved. The board of directors of an EU Inc. subsidiary company must decide on its participation in a cash pool agreement without any instruction from the EU Inc. parent company.***
- 2. ***The agreement must, in particular, assign primary responsibility for ensuring the liquidity of all participating companies in an amount equal to their liquidity outflows to the EU Inc. parent company. The EU Inc. subsidiary companies must be granted the right to take the necessary measures to protect their company should liquidity be at risk anywhere within the group. The EU Inc. parent company must notify all subsidiaries of such a risk without delay.***

3. ***The Commission shall adopt a delegated act in accordance with Article 106b setting out a template for the cash pooling agreement referred to in paragraph 1. (AM 1450 Rap.)***

Article 73

Subscription of own shares

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

Article 74

Acquisition of own shares

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

Article 75

Treatment of own shares

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

aggregate nominal value of the cancelled shares to a reserve, which shall be treated as if it were part of the company's capital.

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

Article 76 ***Redeemable shares***

1. The company may issue new shares that can be redeemed against the company (redeemable shares), ***where provided for by the company's articles of association***. 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. (AM 1455 EPP, AM 1456 ECR)
2. Redeemable shares shall be issued in accordance with Article 67. In addition to the elements referred to in Article 67(3) and (6), the decision on the issuance of redeemable shares and the subscription for such shares shall set out the conditions and manner of redemption and the redemption price or the basis for the determination of the redemption price.
3. Redeemable shares shall only be issued as long as the company has non-redeemable shares. Non-redeemable shares shall not be turned into redeemable shares after their issuance.
4. Redeemable shares shall only be redeemed if they have been fully paid up.
5. Upon redemption, redeemable shares are cancelled and the redemption price becomes payable to the shareholder.
6. The redemption price shall only be paid out of funds that are determined by the board of directors to be available for distribution in accordance with Article 72.
7. Redeemed shares shall be cancelled in accordance with Article 75(5) and (6). The board of directors shall be deemed authorised to cancel redeemed shares.

7a. The redemption price for economic shares shall be paid only out of funds which the board of directors determines to be available for distribution in accordance with Article 72(3). Where the board of directors determines that no such funds are available, payment of the redemption price shall be deferred until the board of directors determines that such funds are available, unless the articles of association provide for cancellation, subordination or another limitation of the unpaid amount. (AM 1457 Rap.)

7a. In an EU Inc. SO company economic shares may be issued only as redeemable shares. The articles of association and the decision on issuance shall specify, for each class of economic shares, the conditions and manner of redemption, the redemption price or the objective basis for determining the redemption price, and any maximum aggregate amount payable in respect of those shares. (AM 160 Rap.)

7b. An EU Inc. SO company shall be entitled to redeem economic shares where the conditions specified in the articles of association have been met. Such conditions shall include at least one objective redemption trigger based on either the expiry of a

specified period after issuance of the relevant shares or the payment, in respect of the relevant shares, of an aggregate amount equal to a specified multiple of the consideration provided to the company in exchange for those shares. (AM 161 Rap.)

7c. Redemption of economic shares shall be subject to the safeguards for distributions. Where payment of the redemption price is not permitted because those safeguards are not satisfied, payment of the redemption price shall be deferred until payment is permitted, unless the articles of association provide for cancellation, subordination or another limitation of the unpaid amount. (AM 162 Rap.)

Article 77 **Capital reduction**

1. The general meeting shall decide on a capital reduction.
2. The decision on the capital reduction shall indicate the purpose, the way in which the reduction is to be carried out and the amount of the reduction.
3. The decision on a capital reduction shall only take effect if the board of directors certifies in a statement signed by all directors that, based on the most recent financial statements and after thoroughly examining the company's current and future affairs, it has formed the reasonable opinion that following the reduction,
 - (a) the total amount of assets as set out in the most recent balance sheet would remain greater than the total amount of liabilities after the capital reduction (balance sheet test), and
 - (b) the company will be able to pay its debts as they fall due in the normal course of business in the 12 months following the date of the capital reduction (solvency test).

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

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

4. The board of directors shall update the amount of capital and, if applicable, the nominal value of shares in the articles of association in accordance with Article 27. The capital is considered to have been reduced once the reduction has been made publicly available in the business register.
5. Where the company carries out a capital reduction in violation of paragraphs 1 to 3 or where the directors signing the statement referred to in paragraph 3 knew or, in view of the circumstances, should have known at the time of the statement that, following the capital reduction, the total amount of assets of the company would not remain greater than the total amount of liabilities after the capital reduction or that the company would no longer be able to pay its debts in the 12 months following the date

of capital reduction, they shall be jointly and severally liable to the company for all damages resulting from the capital reduction.

6. Where a shareholder has received a distribution out of capital carried out in violation of paragraphs 1 to 3 or where the shareholder knew or, in view of the circumstances, should have known at the time of the distribution that, following the distribution, the total amount of assets of the company would not remain greater than the total amount of liabilities or that the company would no longer be able to pay its debts in the 12 months following the date of distribution, the shareholder shall be required to return the distribution to the company to the extent that commitments entered into with creditors so require.

CORRESPONDING RECITALS

- (43) Fragmentation of the laws of Member States concerning the financing of Union businesses constrains companies in their ability to attract investors, in particular from other Member States and third countries. Cross-border investors such as venture capitalists and angel investors are deterred by high transaction costs, complex cross-border due diligence, and unfamiliar national corporate structures. To overcome these barriers and align with the objectives of the Commission Communication of 19 March 2025 entitled 'Savings and Investments Union. A Strategy to Foster Citizens' Wealth and Economic Competitiveness in the EU', the EU Inc. should be subject to a harmonised financing framework. This framework should be specifically designed to attract and facilitate cross-border equity investment by providing harmonised highly flexible and legally certain funding mechanisms. It should also balance and accommodate the needs of founders and of early-stage and growth investors to ensure that EU Inc. companies are highly attractive when competing for venture capital and other investments on a global scale.
- (44) In order to provide flexible conditions for investment throughout the Union, the shares of an EU Inc. company should not be required to have a nominal value. By default, the shares should also not represent a fraction of the company's capital. The economic and control rights attached to a share should accordingly also not depend on a contribution made to capital. The EU Inc. should have the possibility to offer the appropriate rights and ask for the consideration for shares that is in the interest of the company and that best attracts equity investment in it, not being constrained by a mandatory link between its capital and shares.
- (45) Enabling shares without a nominal value is particularly important to facilitate common arrangements for venture capital and early-stage financing. In traditional par-value systems, shares cannot be issued below their nominal value, which creates structural obstacles during critical situations where a company's valuation has decreased and new shares need to be issued in a 'down round' at a lower price to raise new equity. Furthermore, non-par value shares facilitate the seamless operation of convertible instruments such as Simple Agreements for Future Equity (SAFE) and Keep It Simple Securities (KISS). Where such instruments require a conversion at a fluctuating, discounted price, the rigid application of the par value principle could legally prevent their execution. By removing the mandatory requirements for a par value of shares, the EU Inc. is equipped to price its equity dynamically, absorb valuation fluctuations and enter into investment arrangements with terms in accordance with global market standards.

- (46) An EU Inc. should be able to raise equity in a flexible way and founders and shareholders should be free to choose the appropriate financing options without facing unnecessary legal constraints arising from divergent national rules. The amount of capital of the EU Inc. should therefore not be required by law and may be 0 EUR throughout the company's lifetime. In the absence of capital, modern and highly effective safeguards for creditors should be achieved through other means, notably through balance sheet and solvency tests governing distributions to shareholders. Only where founders and shareholders choose to build up capital, such capital should be subject to conventional maintenance rules.
- (47) The financing framework of the EU Inc. allows for a highly flexible allocation of equity investments. When issuing new shares, the company should be able to require a consideration for shares in the form of a capital contribution or raise equity that is not part of the company's legal capital. This structure ensures that bespoke classes of shares, share buybacks, redemptions and complex funding mechanisms can operate without creating frictions with conventional capital maintenance rules.
- (48) To facilitate all types of equity investment in an EU Inc., any transfer of economic value should be permitted as a consideration for a share in the company. Unless shares are issued for consideration in the form of a capital contribution, an EU Inc. should not have to require immediate payment of a consideration for shares. In particular, to avoid delays in registration caused by the requirement to open a corporate bank account for the consideration for the first shares, such consideration should not have to be paid before registration. In-kind considerations should also be possible in the form of work and services but should always have their value determined. Where the value of an in-kind consideration is overstated, shareholders should have to compensate the company for the shortfall in value provided.
- (49) While the subscription of the first shares of an EU Inc. is declared in the articles of association, the issuance of further shares should be generally subject to a decision of the general meeting. To facilitate the swift execution of financing rounds, an EU Inc. should also be able to have its board of directors authorised to decide on the issuance of such new shares. Such authorisation should only be required to set out the maximum number of authorised shares but may be subject to any further limitations deemed appropriate by the shareholders. To ensure a low level of transaction costs and remove barriers to cross-border investment, subscriptions for new shares should be made by electronic means and should not be subject to additional formalities imposed by Member States.
- (50) Existing shareholders should generally have pre-emptive rights in new shares issued for cash consideration to enable them to maintain their stake in the company. However, to facilitate the entry of new investors, the general meeting or, where authorised to do so, the board of directors should have the possibility to modify or exclude such rights.
- (51) Provided that the relevant requirements foreseen in Union and national laws are complied with, an EU Inc. company can issue any type of securities. To facilitate particularly early-stage investments such as Simple Agreements for Future Equity (SAFE) and Keep It Simple Security (KISS) convertible notes as well as employee stock ownership in an EU Inc., the company should also have broad flexibility in issuing instruments that entitle their holders to new shares. As is the case for the issuance of new shares, the swift issuance of such instruments should be facilitated by providing for the possibility to authorise the board of directors to decide on the

issuance of the instruments. Since such instruments ultimately lead to the issuance of new shares, existing shareholders should generally have pre-emptive rights in them. As regards the issuance of new shares to satisfy claims from the instruments, the board of directors should not need further authorisation for such issuance and existing shareholders should not have pre-emptive rights in the new shares.

- (52) While an EU Inc. company should not be required to have a capital greater than EUR 0, it should have the possibility to increase its capital not only by issuing new shares against capital contributions but also by converting other parts of equity to capital, unless such conversion is incompatible with their purpose.
- (53) Distributions to shareholders should be subject to a balance sheet and solvency test, ensuring that an EU Inc. remains viable and meets its obligations towards creditors following a distribution. To ensure the credibility of the balance sheet and solvency test, all directors should be required to confirm the result of the two tests, and they should be personally liable where the tests are not performed or not performed with due care. Shareholders should furthermore be required to return unlawful distributions where they knew or should have been aware of the irregularities.
- (54) An EU Inc. company should not be able to subscribe its own shares. To facilitate a flexible financing structure, it should however be able to purchase its own shares upon a decision of the general meeting or, where authorised, the board of directors. To ensure the viability of the company, the safeguards for distributions should also apply to purchases of own shares. Where own shares have been purchased, the company should have full flexibility to hold them in treasury for later use, transfer them further or cancel them. Cancellation should be subject to a decision of the general meeting or, where it is authorised, the board of directors.
- (55) To further facilitate investment in EU Inc. companies, including from investors that wish to have a predetermined exit option, the EU Inc. should also be able to issue redeemable shares. Upon redemption, such shares should be cancelled and the redemption price be paid to the investor. However, to ensure the viability of the company, the EU Inc. should only be required to pay the redemption price where such payment complies with the safeguards for distributions.
- (56) Where the company has built up capital, any reduction of it should generally be subject to a balance sheet and solvency test similar to the one required for distributions. To protect creditors which may rely on the stated capital providing them additional security against default, such test should be accompanied by a report of an independent expert certifying that the expert has inquired into the company's state of affairs and is not aware of any matters that would indicate that the balance sheet and solvency test is unreasonable. Where capital is only reduced to cover losses or where it is increased at the same time by at least the amount of the reduction, no additional protection is warranted and the reduction should therefore not be subject to these safeguards.

CA 8

Compromise amendment on Chapter VIII

Compromise amendment replacing all relevant amendments, including AMs 163-174, 1464-1506

CHAPTER VIII – EU EMPLOYEE STOCK OPTION PLAN

Article 78

EU-ESO

1. The company may establish an EU employee stock option plan (EU-ESO under which it issues warrants to eligible persons. ***Participation in such a plan is voluntary for employees and shall be without prejudice to national law and collective agreements regarding all components of remuneration and pay, including pensions and social security contributions.*** (AM 164 Rap., AM 1465 Left, 1466 Greens; AM 1468 Renew)
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. 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.
 - 2a. ***An EU-ESO may not be used as a substitute for ordinary remuneration, statutory minimum wages, or pay levels established by collective agreements. Warrants or shares issued under this scheme must be treated as a supplement to, and not a replacement for, cash-based wages and social security contributions. Holding warrants is without prejudice to the exercise of employee participation rights.*** (AM 165 Rap., AM 1471 S&D, AM 1472 Greens, 1484 Left, AM 1488 Left)
 - 2b. ***Employees engaging in an EU-ESO shall be provided with clear and comprehensible information on the specific class of shares granted and the rights attached thereto as well as clear, transparent information regarding the financial risks..*** (AM 166 Rap., AM 1482 Greens)
3. The general meeting shall decide on the establishment of the EU-ESO. The resolution shall at least set out:
 - (a) the group of eligible persons;
 - (b) the maximum number of warrants that may be issued under the EU-ESO and the shares to which the holder of a warrant shall be entitled upon exercise of the warrant;
 - (c) a mandatory waiting period before which the warrants issued under the EU-ESO shall not be exercised, which shall be at least 24 months from the issuance of a warrant.

The resolution of the general meeting may not exclude voting rights attached to shares that the holder of a warrant acquires. (AM 167 Rap.)
4. Warrants issued under the EU-ESO shall be non-transferable and issued for no consideration.
5. The consideration for new shares issued upon exercise of warrants under the EU-ESO shall be paid in cash and shall be fully paid up on issue of the shares.
6. The board of directors shall be authorised to issue warrants under the EU-ESO and to issue new shares to satisfy claims arising from the warrants. The board of directors may also satisfy claims arising from warrants issued under the EU-ESO by transferring own shares held in treasury.
7. Existing shareholders shall have no pre-emptive rights on warrants issued under the EU-ESO and on new shares issued to satisfy claims arising from the warrants.

Article 78a

EU-ESOP

1. *The EU Inc. company may establish an EU employee stock ownership plan (EU-ESOP), under which it issues shares to eligible persons, which may be acquired, held and administered by an intermediary corporate entity for the benefit of participating employees. Participation in such a plan is voluntary for employees and shall be without prejudice to national law and collective agreements regarding all components of remuneration and pay, including pensions and social security contributions.*
2. *Eligibility for shares issued under the EU-ESOP shall be restricted to members of the board and employees of the EU Inc. company and its subsidiaries. Shares under the EU-ESOP 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 last 24 months preceding the issuance.*
3. *An EU-ESOP may not be used as a substitute for remuneration, statutory minimum wages, or other pay elements or as established by collective agreements. Shares issued under this scheme must be treated as a supplement to, and not a replacement for, cash-based wages and social security contributions. Holding shares is without prejudice to the exercise of employee participation rights.*
4. *Employees engaging in an EU-ESOP shall be provided with clear and comprehensible information on the specific class of shares granted and the rights attached thereto as well as clear, transparent information regarding the financial risks.*
5. *The general meeting shall decide on the establishment of the EU-ESOP. The resolution shall at least set out:*
 - (a) the group of eligible persons;*
 - (b) the maximum number of shares that may be issued under the EU-ESOP;*
 - (c) a mandatory vesting period before which the shares may be acquired under the EU-ESOP;**The resolution of the general meeting may not exclude voting rights attached to shares issued under the EU-ESOP.*
6. *The board of directors shall be authorised to issue shares under the EU-ESOP and to transfer own shares held in treasury for the purposes of the EU-ESOP.*
7. *Existing shareholders shall have no pre-emptive rights on shares issued under the EU-ESOP. (AM 1489 Rap.)*

Article 79

Taxation of warrants under the EU-ESO and EU-ESOP (AM 169 Rap.)

1. The provisions of this Article shall apply to warrants issued by the EU Inc. **company** under the EU-ESO as defined in Article 78 **and to shares issued by the EU Inc. under the EU-ESOP as defined in Article 78a.** (AM 170 Rap.)
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.
- 2a. **The income derived from the shares issued under the EU-ESOP shall be deemed not to have accrued at the time of the acquisition of shares. It shall be deemed to arise and thus be subject to taxation only at the time when the shares obtained. EU-ESOP may not be used as a substitute for remuneration, statutory minimum wages.** (AM 171 Rap.)
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.
- 3a. **The income described in paragraph 3 shall be subject to taxation in accordance with national law.** (AM 172 Rap.)
4. Member States shall ensure that the warrants issued under EU-ESO and the resulting underlying shares **or the shares issued under EU-ESOP** are subject to a tax treatment that is not less favourable than that applicable to other employee stock options, **participation schemes** or similar instruments under their national law, provided all legal requirements are met. (AM 173 Rap.)
- 4a. **For the purposes of social security and pension entitlements, the value of warrants or shares shall not be used to reduce the basis upon which employer and employee social security contributions are calculated.** (AM 174 Rap.)

CORRESPONDING RECITALS

- (57) Providing employees with equity and facilitating investment in their company is an important way to attract and retain talent, and a preferred means of providing them with a stake in the company's growth. Currently, divergent national requirements in this regard impede the scale-up of companies in the internal market. EU Inc. companies should therefore benefit from a harmonised simple employee stock option plan which they can establish for their staff throughout the internal market. Such plan, the EU-ESO, should enable an EU Inc. company to issue warrants to a broad group of eligible persons covering not only members of the board and employees of the EU Inc. but also of its subsidiaries. In line with the purposes of attracting and retaining talent and incentivising employees' participation in the scaleup of the EU Inc., the warrants should be subject to a minimum vesting period and should not be issued to persons who already hold a significant stake in the EU Inc. Where an EU-ESO is established, the board of directors should be authorised to issue warrants and satisfy the claims arising from the warrants either by issuing new shares or transferring own shares held in treasury, within the limits of the plan.

- (58) Currently, under Member States' laws, warrants granted to employees may be taxed at different points in time. This situation makes the warrants unattractive, especially in cross-border cases, as it leads to complexity and may result in taxation of unrealised income, which gives rise to cash-flow disadvantages for employees. To address these issues and ensure that taxation takes place at the same time in all Member States, the income derived from the warrants granted under the EU-ESO should be taxed only once, when the shares obtained by exercising the warrant are disposed of. No taxable income should be deemed to arise at the time of granting, vesting, or exercising of the warrant. Member States should remain free to determine how the income derived from the disposal of the shares obtained by exercising the warrant is characterised for tax purposes and the rate(s) at which it should be taxed. However, to avoid double taxation or disputes between Member States in cross-border situations, it is crucial that the taxable income is calculated in the same way by all Member States. Therefore, taxation should take place on an amount equal to the difference between the fair market value of the shares at the date of disposal and their acquisition price. Many Member States have already introduced preferential tax regimes for employee stock options or similar instruments. To the extent the EU-ESO meets the relevant criteria of such instruments, the taxation of shares issued by exercising warrants under the EU-ESO should be granted the same treatment as provided under Member States' national law.

CA 9

Compromise amendment on Chapter IX

Compromise amendment replacing all relevant amendments, including AMs 175-187, 1507-1541

CHAPTER IX – CLOSURE OF SOLVENT EU INC. COMPANIES

Article 80

Dissolution

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

Article 81

Nullity

1. The nullity of an EU Inc. company resulting in its liquidation shall be ordered only by a decision of a court of law **and only** on the following grounds: (*AM 175 Rap.*)
 - (a) that the EU Inc. company has no valid articles of association in accordance with Articles 7 and 8, including that the articles of association do not state the name or the object of the company, or the subscription for the first shares;

- (b) that the activities of the EU Inc. company are unlawful or contrary to public policy;
- (c) the lack of legal capacity of all the founder members at the time of the company's formation.

(ca) the rules of preventive control or the requisite legal formalities were not complied with. (AM 176 Rap.)

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

2. A decision of nullity pronounced by a court of law shall be relied on as against third parties once it is made publicly available by the business register in accordance with Article 25. Third parties may challenge the decision within six months of public notice of the court's decision.
3. Nullity shall not of itself affect the validity of any commitments entered into by or with the EU Inc. company, which shall remain enforceable notwithstanding the liquidation ***resulting from the decision of nullity, in accordance with national law. (AM 177 Rap.)***
4. Relations between the shareholders of the EU Inc. company declared null shall be governed by the law of the Member State of registration.
5. Shareholders of the EU Inc. company declared null shall remain obliged to provide the consideration contributed to capital to the extent that commitments entered into with creditors so require.

Article 82

Once-only submission of data and digital communication during liquidation

1. The filing to the business register shall be completed fully online in accordance with Article 27.
2. The documents and information related to liquidation shall be made available by the business register in accordance with Article 25.
3. Following the filing of documents and information related to the solvent liquidation of an EU Inc. company, including the information and documents needed in accordance with Article 25, to the business register where the company is registered, that business register shall, without delay, inform the relevant national authorities of that Member State digitally about the change of the status of the EU Inc. company. ***That business register shall also exchange in digital form the information about the EU Inc. company with the social security authorities. (AM 1518 Rap.)***
4. An EU Inc. company shall not be required to provide the information referred to in paragraph 1 to another authority of the Member State of registration in the context of its liquidation. The business register shall exchange this information digitally, without delay, with those relevant national authorities .
5. Upon the filing referred to in Article 80, its creditors shall be entitled to submit their claims to the company or the liquidator fully online. The submission of such claims

shall not be subject to national requirements for physical form or notarial authentication.

Article 83 ***Fast-track liquidation***

1. A solvent EU Inc. company shall benefit from a fast-track liquidation procedure provided that, at the date of the resolution or event triggering its dissolution referred to in Article 80, the following conditions are met:
 - (a) the EU Inc. has ceased its economic activity;
 - (b) the EU Inc. has no assets or all such assets have given rise to distributions to the shareholders in accordance with Article 72 prior to or simultaneously with the filing of the notification of dissolution;
 - (c) the EU Inc. has no liabilities; ***including due wages and social security contributions, contingent and reasonably foreseeable liabilities***; (AM 178 Rap., AM 1524 Greens)
 - (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.
- 2a. ***Where during the two years preceding the request for the fast-track liquidation, the EU Inc, company has carried out significant transfers of assets, including intellectual property rights or undergone changes in ownership or control that form part of an arrangement aimed at avoiding liabilities or prejudicing creditors, the fast-track liquidation procedure shall not be authorised by the relevant authority.*** (AM 179 Rap., AM 1525 Greens)
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 ***of creditors*** under this Article. (AM 179 Rap.)
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 ***ten*** years by the person appointed to that effect by the general meeting or by the court. (AM 181 Rap.)

Article 84 ***Fast-track liquidation procedure***

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

The application shall specify the name of the director or directors representing the company for the purpose of the fast-track procedure.
2. The filing shall be accompanied by the following:

- (a) a declaration by all directors of the EU Inc., authenticated using qualified electronic signatures in accordance with Regulation (EU) No 910/2014, stating that the conditions set out in Article 83 (1) are met;
 - (b) the financial statement of liquidation;
 - (c) the evidence of consent of creditors in case liabilities exist;
 - (d) the declaration by the appointed person referred to in Article 83 (5), authenticated using qualified electronic signatures in accordance with Regulation (EU) No 910/2014, who undertakes to keep the books and records for a period of **ten** years following the removal of the company from the business register. (*AM 182 Rap*)
3. The filing shall be completed fully online in accordance with Article 27 (5).
 4. The documents and information referred to in paragraph 2 shall be made available in accordance with Article 25.

Article 85 *Opposition of creditors*

1. Creditors of the EU Inc. company undergoing the fast-track liquidation procedure may oppose it and require the opening of the ordinary liquidation procedure within **3 months** following the disclosure of documents and information referred to in Article 84 (4). (*AM 183 Rap.*)

Creditors who had initially consented to the fast-track procedure may also oppose it provided they set out strong grounds to justify their change of position.
2. Creditors shall submit their objection to the business register where the EU Inc. company is registered, stating the reason of their claim against the EU Inc. company. Member States shall ensure that this submission may be carried out fully online.
3. In case the claims are well founded, the **competent** business register, **authority or 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. (*AM 184 Rap., 1536 Greens, AM 1534, EPP, AM 1535 EPP*)
4. The **competent** business register, **authority or 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. (*AM 185 Rap, AM 1537 Greens*)
5. ***An EU Inc. company may not be removed from the business register as long as claims of creditors are still under consideration.*** 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: (*AM 186 Rap.*)
 - (a) exercise their rights against the board of directors, who shall be personally, and where applicable, jointly and severally liable for any unsatisfied liabilities; and
 - (b) access the books and records of the company through the appointed person referred to in Article 84(2) point (d).

Article 86
Deadlines for the closure of the procedure

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

Article 87
Removal from the business register

1. Upon the expiry of the deadlines referred to in Articles 85 and 86, the business register shall update the EU Inc. company's status, in accordance with Article 25(3)point b) and strike off or remove the registration of the EU Inc. company provided that:
 - (a) no objections by creditors have been submitted pursuant to Article 85; and
 - (b) a tax clearance or no objections to the fast-track procedure have been received from the national tax authority ***or any other Member State tax authority*** pursuant to Article 86. *(AM 187 Rap., AM 1541 Greens)*
2. The striking off or removal of the EU Inc. company from the business register shall result in the loss of its legal personality.
3. The change of the status and the striking off or removal of the EU Inc. company from the business register shall be made publicly available in accordance with Article 25.

CORRESPONDING RECITALS

- (59) Digital solutions are also important at the end of the company lifecycle, both for solvent companies being wound up and for companies undergoing insolvency proceedings as they contribute to a more efficient closure procedure. This, in turn, allows companies to direct their human and financial resources into new entrepreneurial projects and therefore, diminishes the cost of failure. This is important for small companies, with less resources and in particular for startups, which failure rate tends to be higher than for larger companies.
- (60) Therefore, the digital only approach should also cover the dissolution and liquidation of solvent EU Inc. companies, meaning that the EU Inc. company or the liquidator, who may be a director or an external person appointed according to national legislation, should be able to submit all information or documents related to dissolution

and liquidation to the business register fully online, and creditors of an EU Inc. company should be able to submit their claims fully digitally to the company or to the liquidator. As in the context of setting up, a seamless “once-only” data exchange should be also ensured between the business register of registration of an EU Inc. company and other competent national authorities relevant for its liquidation in the same Member State, such as tax or social security authorities. This would mean that the EU Inc. company would not need to submit again to the other authorities the information it had already submitted to the business register, which should reduce the delays and costs caused by separate submissions in the context of a dissolution procedure that should be swift in the interest of all stakeholders. Since the relevant national authorities involved in the liquidation of a company might differ across Member States, each Member State should decide to which national authorities this “once-only” data exchange with the business register should apply.

- (61) While increasing the efficiency of the procedure thanks to digital tools, it is also important to ensure that transparent information about the liquidation of an EU Inc. company is easily available to creditors and other third parties – in business registers and through BRIS – by introducing harmonised obligations on companies and business registers. In case a liquidation of a solvent EU Inc. company is necessary due to nullity, the conditions and consequences should be harmonised to ensure legal certainty and the nullity should only be ordered by a court decision and on the basis of an exhaustive list of grounds.
- (62) Simplified rules are in particular needed in simple liquidation cases, for instance, where solvent companies have ceased their economic activity and do not have liabilities, to allow such companies to complete the procedure and be removed or struck off from the business register within a maximum of around three months. Such fast-track liquidation should be available for the EU Inc. companies with no pending administrative or judicial proceedings, no assets available for economic use, which should in any case be distributed at the latest at the time of the filing for liquidation, and no debts. The fast-track procedure should also cover simple cases where some creditors, and therefore liabilities, still remain but such procedure could only be launched if those creditors give their consent.
- (63) The fast-track procedure, while allowing companies to close within a short period of time, should also ensure that creditors are protected and provide for transparent information to third parties concerned. This should be ensured by making the information that the EU Inc. company is in the fast-track liquidation procedure and the relevant documents filed by the EU Inc. company publicly available in the business register where it is registered, including the statement by all directors confirming that the conditions are met to undergo this procedure. Given that the fast-track procedure is limited to simple liquidation cases, it should be possible for the EU Inc. to be represented by a director or another authorised person, without a need to appoint a liquidator.
- (64) Similarly, to strike the right balance between a short procedure and sufficient creditor protection, creditors of the EU Inc. company should have the possibility to oppose the fast-track procedure but within a relatively short deadline of 30 days following the publication of the information about its launch in the business register. This safeguard particularly aims at protecting creditors whose claims have not been reflected in the statement of directors of the EU Inc. and in the financial statement. The creditors who

already consented to the launch of the procedure should only be able to oppose it in case of well justified reasons such as a defect or error in their consent or a serious change of circumstances. To enable the business register to disregard manifestly unsubstantiated objections, creditors should state the reasons for their claims against the EU Inc. company when submitting the objections to the business register. In case the business register receives well founded objections from creditors, it should provide the EU Inc. company with the information about the creditors and the reasons for their claims.

- (65) In order to ensure that the EU Inc. company undergoing the fast-track liquidation procedure does not have any tax debts or has not failed to comply with any tax related obligations, the national tax authority in the Member State of registration of the EU Inc. company should have 30 days to issue a tax clearance or submit its opposition to the fast-track liquidation. A prolongation of a maximum of 30 days would be possible in case additional information was needed or additional activity had to be carried out by the tax authority. In order to limit administrative delays, it should be presumed that the tax authority granted its clearance or did not have objections if the tax authority does not notify its position to the business register within the initial or prolonged deadline.
- (66) After the expiry of the deadlines, both for creditors and for the tax authority, and if no objections have been received by either of them, the business register should remove the registration of the EU Inc. company from its records without delay. In case the business register receives reasoned objections from creditors after the 30-day deadline has expired but before it has removed the EU Inc. from the register, it should be able to take those objections into consideration and decide not to remove the company from the register, to ensure that those claims are safeguarded. In order to ensure that potential assets, liabilities or administrative or judicial proceedings are handled smoothly after the EU Inc. company is removed from the business register, its books and records should be kept for a period of six years by a person appointed by the general meeting or by the court. The directors of the EU Inc. company which was removed from the business register should remain jointly and severally liable for any claims of creditors that were not satisfied.

CA 10

Compromise amendment on Chapter X

Compromise amendment replacing all relevant amendments, including AMs 188-228, 1542-1593

CHAPTER X – INSOLVENCY PROCEEDINGS

WINDING-UP OF INSOLVENT EU INC. COMPANIES THAT ARE ~~INNOVATIVE~~ STARTUPS (AM 188 Rap., AM 1551 Greens)

Article 88

Scope of application of the simplified winding-up of EU Inc. ~~innovative~~ startups (AM 189 Rap., AM 1554 Greens)

1. This Chapter applies to EU Inc. companies which are innovative startups ***with less than 20 creditors at the moment of the request for the opening of simplified winding-up proceedings.*** (AM 190 Rap.)
2. For the purposes of this Chapter, innovative startup means an EU Inc. company ***as defined in Article 2(1).*** (AM 191 Rap.)
- 2a. ***EU Inc. companies that were created through a domestic conversion, merger or division in accordance with Article 21 or through a cross-border conversion, merger or division in accordance with Chapters -I, II and IV of Title II of Directive (EU) 2017/1132, shall not be eligible for the simplified winding-up proceedings provided for in this Chapter, where less than 6 months have elapsed between such an operation and the request for the opening of proceedings in accordance with this Chapter.*** (AM 192 Rap.)

Article 89

Rules on winding-up of innovative startups

1. Insolvent EU Inc. ~~innovative~~ startups may request the opening of simplified winding-up proceedings in accordance with this Chapter, ***if they have less than 20 creditors at the moment of the request for the opening of simplified winding-up proceedings.*** (AM 193 Rap.)
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 ***or when its debts exceed its assets.*** 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 ***and under which the debt of an EU Inc. startup is deemed to exceed its assets.*** (AM 194 Rap.)
- 2a. ***The opening and conduct of simplified winding-up proceedings shall not be denied on the ground that the debtor has no assets or its assets are not sufficient to cover the costs of the simplified winding-up proceedings. Member States shall ensure that an effective mechanism exists to finance the minimum costs necessary for the opening and conduct of such proceedings where the assets of the debtor are insufficient.*** (AM 195 Rap., AM 1563 Rap.)

Article 90

Insolvency practitioner

1. An insolvency practitioner within the meaning of Article 2, point (5), of Regulation (EU) 2015/848 of the European Parliament and of the Council²⁵ shall be appointed when simplified winding-up proceedings are opened.

²⁵ 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>.

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, ***if the following conditions are met:***
- (a) ~~provided that~~ the EU Inc. innovative startup demonstrates that it has an up-to-date current balance sheet;
 - (b) the EU Inc. startup ~~and that it has~~ submitted its most recent required annual statement to the relevant national authorities;
 - (c) *the EU Inc. startup has an up-to date accounting system;*
 - (d) *the EU Inc. startup has an asset list;*
 - (e) *the EU Inc. startup has an up-to date list of creditors;*
 - (f) *the EU Inc. startup has met payments on taxes and social security contributions;*
 - (g) *the EU Inc. startup has paid all outstanding wages due at the time of the request;*
 - (h) *where applicable, the EU Inc. startup has complied with its obligations relating to employee information and consultation and participation under the applicable Union and national law. (AM 196 Rap.)*
- 2a. *The opening and conduct of simplified winding-up proceedings shall not be denied on the ground that the debtor has no assets or its assets are not sufficient to cover the costs of the simplified winding-up proceedings. (AM 197 Rap.)*
- 2b. *The lack of funding by the insolvency estate or by the party that requested the appointment shall not constitute a reason for requesting that an insolvency practitioner is not appointed. (AM 198 Rap.)*

Article 91

Means of communication

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

Article 92

Request for the opening of simplified winding-up proceedings

1. An insolvent EU Inc. innovative startup or any creditor of the insolvent EU Inc. innovative startup can submit a request for the opening of simplified winding-up proceedings to a court or a competent authority.
2. The request for the opening of simplified winding-up proceedings shall be submitted using a ***user-friendly*** standard form. The representation by a lawyer or another legal professional shall not be compulsory. (AM 1570 Rap.)
3. The standard form referred to in paragraph 2 shall contain at least the following information:

Where the request is submitted by a creditor, only the information referred to in points (a), (d), (e) and (f) and where reasonably available to the creditors, points (c), (ea), (eb), (ed), (ef) and (eg). The remaining information shall only be required where the request is submitted by the EU Inc. startup. (AM 1571 Rap.)

(a) where an EU Inc. ~~innovative~~ startup is a legal person, the debtor's name, registration number, registered office or, if different, postal address;

~~(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; (AM 1573 Rap.)~~

(ba) where the request is submitted by the EU Inc. startup, a brief explanation of the principal causes of the insolvency and of any material circumstances that contributed to the financial difficulties of the company; (AM 202 Rap.)

(c) a list of the assets of the EU Inc. ~~innovative~~ startup;

(d) name, address or other contact details of creditors of the EU Inc. ~~innovative~~ startup, as known at the time of the submission of the request,

(e) the list of the claims against the EU Inc. ~~innovative~~ startup and, for each claim, its amount specifying the principal and, where applicable, interest and the date on which it arose and the date on which it became due, if different;

(ea) a list with all commercial transactions in the period of six months preceding the request for the opening of simplified winding-up proceedings; (AM 206 Rap.)

(eb) the number of employees of the EU Inc. startup, their Member State of employment and details of any outstanding wage, pension or social security claims; (AM 207 Rap.)

(ec) a statement indicating whether, to what extent and in relation to which creditors the EU Inc. startup is in default with obligations arising from employment relationships, pension commitments, tax liabilities, social security contributions or payments due to suppliers; (AM 208 Rap.)

(ed) a declaration by the directors that the information provided in the request is complete and accurate to the best of their knowledge and that no material information relevant to the winding-up proceedings has been omitted; (AM 209 Rap.)

(ee) details of any conversion, merger, division or transfer of registered office carried out during the six months preceding the request for the opening of simplified winding-up proceedings; (AM 210 Rap.)

(ef) where the request is submitted by the EU Inc. startup, information on the available financial resources and any other means by which the costs of the proceedings are expected to be covered; (AM 211 Rap.)

(eg) information on any insolvency proceedings, preventive restructuring proceedings or stays of individual enforcement actions opened in respect of the EU Inc. startup during the three years preceding the request; (AM 212 Rap.)

(f) if security in rem or a reservation of title ***exists*** in respect of a certain claim and, if so, what assets are covered by the security interest. (AM 213 Rap.)

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 6th 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). (AM 214 Rap.)

Article 93

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

1. The court or the competent authority shall, without delay ***and no later than two weeks following the request***, 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). (AM 215 Rap.)
2. ***Member States shall ensure that decisions taken pursuant to this Article may be appealed or otherwise challenged in accordance with national law.*** (AM 1575 Rap.)
3. ***The court or competent authority may require the debtor to supplement or correct incomplete or inaccurate information submitted pursuant to Article 92 before taking a decision on the opening of the simplified winding-up proceedings. Where the debtor intentionally or negligently provides materially false or misleading information, the court or competent authority may reject the request or appoint an insolvency practitioner notwithstanding Article 90(2).*** (AM 216 Rap.)

Article 94

Stay of individual enforcement actions

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

The benefit from a stay of individual enforcement actions shall not apply to employees' claims. By way of derogation from the first sentence, Member States may apply the first paragraph to employees' claims if, and to the extent that, Member States ensure that the payment of such claims is guaranteed in preventive restructuring frameworks with a level of protection that is at least equivalent to that provided in the absence of a stay. (AM 217 Rap.)

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, ***including all employees and their outstanding claims for wages, salaries, pensions as well as taxes and, where required under national law, contributions to social security insurances.*** (AM 218 Rap.)
2. The insolvency practitioner, or in its absence, the court or the competent authority shall inform all known creditors, ***including employees and employee representatives, where applicable*** 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. (AM 219 Rap.)
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 **60** 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. (AM 220 Rap.)

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. ***A claim shall not be deemed undisputed where the creditor concerned has not received the individual notice referred to in paragraph 2.*** (AM 221 Rap.)
5. The disputed claims shall be dealt with promptly by the court or the competent authority. The court or competent authority may decide to continue the simplified winding-up proceedings with respect to undisputed claims.

Article 96

Decision on the procedure to be used

1. In simplified winding-up proceedings, once the insolvency estate has been established, the insolvency practitioner, or in its absence the debtor, shall proceed with the realisation of the assets and the distribution of the proceeds.
2. However, the court or the competent authority may take a decision on the closure of the simplified winding-up proceedings without any realisation of the assets, where any of the following conditions is fulfilled:
 - (a) there are no assets in the insolvency estate;
 - (b) the assets of the insolvency estate are of such a low value, ***or are expected to generate a net lower value than the costs of their preservation, administration, decontamination, disposal or sale,*** that it would not justify the costs or administrative burden involved by their sale and the distribution of the proceeds; (AM 222 Rap.)
 - (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. ***The insolvency practitioner shall ensure that the method of realisation maximises the value of the insolvency estate.*** (AM 223 Rap.)

Article 97

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

1. Each Member State shall ensure, by [~~PO: the last day of the 24th month after before the date of entry into force~~ ***application 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. ***The use of such platforms shall not prevent the use of other methods of sale where these are more appropriate to maximise the value of the insolvency estate. (AM 224 Rap.)***

2. Member States may extend the use of the electronic auction systems, as referred to in paragraph 1, to the sale of the debtor's business or assets that are subject to other types of insolvency proceedings opened in their territory.
3. Member States shall ensure that the electronic auction platforms are accessible by all natural and legal persons with domicile or place of registration in their territory or in the territory of another Member State. Access to the auction system may be subject to electronic identification of the user, in which case persons with domicile or place of registration in another Member State shall be able to use electronic identification means, in accordance with Regulation (EU) No 910/2014.

Article 98

Interconnection of the electronic auction systems

1. The Commission shall establish a system for the interconnection of the national electronic auction systems as referred to in Article 97 by means of ~~implementing~~ ***delegated*** acts to be adopted ***in accordance with Article 106b*** by [PO: ~~the last day of the 36th month after~~ ***before the date of entry into force*** ***application*** 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. (AM 225 Rap.)
2. The Commission shall lay down, by means of implementing ***delegated*** acts, ***in accordance with Article 106b***, technical specifications and procedures necessary to provide for the interconnection of Member States' national electronic auction systems, setting out: (AM 226 Rap.)
 - (a) the technical specification or specifications defining the methods of communication and information exchange by digital means on the basis of the established interface specification for the system of interconnection of the electronic auction systems;
 - (b) the technical measures ensuring the minimum information technology security standards for communication and distribution of information within the system of interconnection of electronic auction systems;
 - (c) the minimum set of information that shall be made accessible through the central platform;
 - (d) the minimum criteria for the presentation of announced auction processes via the European e-Justice Portal;
 - (e) the minimum criteria for the search of announced auction processes via the European e-Justice Portal;

- (f) minimum criteria for guiding the users to the platform of the national auction system of the Member State where they may submit their offers directly in the announced auction processes;
 - (g) the means and the technical conditions of availability of services provided by the system of interconnection;
 - (h) the use of the European unique identifier referred to in Article 16(1) of Directive (EU) 2017/1132,
 - (i) specification of which personal data can be accessed;
 - (j) data protection safeguards.
3. ~~Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 107. (AM 227 Rap.)~~

Article 99

Costs of establishing and interconnecting electronic auction systems

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

Article 100

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

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

Article 101

Sale of the assets by electronic auction

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

Article 102

Decision on the closure of the simplified winding-up proceedings

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

CORRESPONDING RECITALS

- (67) National insolvency rules are not always fit to treat insolvent EU Inc. companies that are innovative startups properly and in a proportionate manner. Innovative startups face scarcity of working capital, higher interest rates and larger collateral requirements, which make raising finance, especially in situations of financial distress, difficult, if not impossible. Taking into account the unique characteristics of innovative startups and their specific needs in financial distress, in particular the need for faster, simpler and affordable procedures, when innovative startups get insolvent, they should have access to simplified winding-up procedures that are adapted to these specific needs.
- (68) The cessation of payments test and the balance sheet test are the two usual triggers among Member States for the opening of standard insolvency proceedings. In order to simplify the opening of insolvency proceedings on the basis of easily ascertainable conditions, the inability to pay debts as they mature should be the criterion for the opening of simplified winding-up proceedings for EU Inc. that are innovative startups. Member States should also define the specific conditions under which this criterion is met, as long as these conditions are clear, simple and easily ascertainable by the startup concerned.

- (69) Unlike in restructuring, in insolvent liquidation it is of utmost importance that the proceedings are conducted with the involvement of an insolvency practitioner who ensures compliance with all legal requirements and acts in the interests of the creditors. This expertise is needed, in particular, when it comes to the protection of the rights of employees or to the conformity with environmental law standards. The smooth administration of simplified winding-up proceedings for EU Inc. that are innovative startups therefore requires, as a general rule, the appointment of an insolvency practitioner. As an exception, however, and only when the prudent behaviour of the debtor in the period leading to insolvency justifies this, the debtor itself, a creditor or a group of creditors should have the right to request that the winding-up proceeding is conducted without an insolvency practitioner. It is within the discretion of the competent court or authority to decide whether or not to grant such derogation taking into account all relevant circumstances.
- (70) In order to establish cost-effective and expeditious simplified winding-up proceedings for EU Inc. that are innovative startups, the procedure should be conducted and concluded within six months as of the submission of the request to open simplified winding-up proceedings. Similarly, formalities for the major procedural steps, including for the opening of the proceedings, the lodgement and the admission of claims or the realisation of the assets should be minimised. EU Inc. that are innovative startups should be able to commence simplified winding-up proceedings without the representation by a lawyer or another legal professional by using a standard form developed for that purpose.
- (71) To further reduce the cost and length of procedures, Member States should enable debtors, creditors, insolvency practitioners and judicial and administrative authorities to use electronic means of communication for all procedural steps in insolvency proceedings.
- (72) A debtor of an EU Inc. that is an innovative startup should be able to benefit from a temporary stay of individual enforcement actions, in order to be able to preserve the value of the insolvency estate and ensure a fair and orderly conduct of the proceedings.
- (73) Member States should ensure that the assets of the insolvency estate in insolvency proceedings can be realised through online judicial auction, unless the competent authority considers this means of realisation of assets inappropriate. For this reason, Member States should establish and maintain one or more electronic auction systems in their territory for that purpose. This obligation should be without prejudice to the multiple platforms that exist in some Member States for online judicial auctions of specific types of assets. The auction systems operated for the purposes of realising the assets of debtors in insolvency proceedings should be interconnected via the European e-Justice Portal. The e-Justice Portal should serve as a central electronic access point to the online judicial auction processes run in the national system or systems, provide a search functionality for users and guide them to the relevant national online platforms if they intend to participate in the bidding.
- (74) In order to ensure uniform conditions for the implementation of this Regulation as regards the establishment of the multilingual EU templates, the multilingual application form, the data to be transmitted and made available through BRIS and the compatibility between the EU Company Certificate and the digital EU power of attorney with the Business Wallets referred to in [PO: *Reference to Proposal for a Regulation of the European Parliament and of the Council on the establishment of*

European Business Wallets], implementing powers should be conferred on the Commission.

- (75) The implementing powers relating to the standard form for the request for the opening of simplified winding-up proceedings and the implementing powers in relation to technical specifications and procedures necessary for the interconnection of electronic auction systems should be exercised in accordance with Regulation (EU) No 182/2011²⁶ of the European Parliament and of the Council.

CA 11

Compromise amendment on Chapter XI – Chapter XII Final provisions

Compromise amendment replacing all relevant amendments, including AMs 229-244, 1594-1660

CHAPTER XI – PROHIBITED REQUIREMENTS

Article 103

List of prohibited requirements

1. Unless it is objectively justified and proportionate, Member States shall treat EU Inc. companies no less favourably than other **relevant** limited liability companies **referred to under Article 1a(4), which were** formed in accordance with their national law in any aspect of their activities and operations. (*AM 229 Rap.*)
2. A Member State shall not adopt or maintain any of the following with regard to EU Inc. companies whose registered office is in another Member State:
 - (a) without prejudice to the Union State aid rules, criteria that deny eligibility of those EU Inc. companies to public support in view of their place of headquarters in other Member States or that require those companies to dissolve and reestablish or to set up a subsidiary in order to become eligible;
 - (b) measures that impose an authorisation or other requirement for taking up or exercising an economic activity based on the location of their registered office;
 - (c) ~~the requirement to have a local representative or a physical presence in that Member State in order to complete a procedure necessary to take up or exercise an economic activity or to obtain an authorisation;~~ (*AM 230 Rap.*)
 - (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;

²⁶ 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>

- (b) Requirement means requirement as defined in Article 4 point 7) of Directive 2006/123/EC.

Chapter XIa
DISPUTE SETTLEMENT

Article 103a
Out-of-court dispute settlement

1. *In matters relating to an EU Inc. company, other companies that have a business relationship with an EU Inc. company and the EU Inc. company shall have access to out-of-court dispute settlement for disputes between business partners with the exception of disputes relating to employee participation.*
2. *Both parties shall engage, in good faith, with the selected certified out-of-court dispute settlement body with a view to resolving the dispute. Participation in the out-of-court dispute settlement does not prevent the parties from exercising their right of access to the judicial system.*
3. *Member States shall ensure that EU Inc. companies and other companies that have a business relationship with an EU Inc. company have access to effective, impartial and expeditious out-of-court dispute settlement mechanisms carried out by a certified out-of-court settlement body.*
4. *Member States shall, for a maximum period of five years, which may be renewed, certify the body, at its request, where the body has demonstrated that it meets all of the following conditions:*
 - (a) it is impartial and independent, including financially independent;*
 - (b) it has the necessary expertise in relation to the issues arising in corporate law, allowing the body to contribute effectively to the settlement of a dispute;*
 - (c) its members are remunerated in a way that is not linked to the outcome of the procedure;*
 - (d) the out-of-court dispute settlement that it offers is easily accessible through electronic communications technology, provides for the possibility to initiate the dispute settlement and to submit the requisite supporting documents online, and provides for the possibility to conduct proceedings digitally;*
 - (e) the body accepts and is capable of conducting both domestic and cross-border disputes;*
 - (f) it is capable of settling disputes in a swift, where appropriate, providing for accelerated procedures, efficient and cost-effective manner and in English language in addition to at least one of the official languages of the institutions of the Union;*
 - (g) the out-of-court dispute settlement that it offers takes place in accordance with clear and fair rules of procedure that are easily and publicly accessible, and that comply with applicable law.*

5. *Certified out-of-court dispute settlement bodies shall make their decisions available to the parties within a reasonable period of time and no later than 90 calendar days after the receipt of the complaint. In the case of highly complex disputes, the certified out-of-court dispute settlement body may, at its own discretion, extend the 90 calendar day period for an additional period that shall not exceed 90 days, resulting in a maximum total duration of 180 days. Certified out-of-court dispute settlement bodies communicate the decision and all relevant information to the EU central digital platform where it is made publicly available.*
6. *The Member State authority that has certified an out-of-court dispute settlement body shall revoke that certification, if it determines, following an investigation either on its own initiative or on the basis of the information received by third parties, that the out-of-court dispute settlement body no longer meets the conditions set out in paragraph.*
7. *Before revoking that certification, the Member State authority shall afford that body an opportunity to react to the findings of its investigation and its intention to revoke the out-of-court dispute settlement body's certification.*
8. *Member States shall provide clear information on fees, costs, and, where possible, financial assistance in relation to out-of-court dispute settlement mechanisms. That information shall be published on the EU Inc. digital platform in accordance with Article 103 d.*
9. *This Article is without prejudice to Directive 2013/11/EU and alternative dispute resolution procedures and entities for consumers established under that Directive. (AM 231 Rap.)*
10. *The outcome of an out-of-court dispute settlement procedure conducted by a certified body under this Article shall be recognised in all Member States.*
11. *Member States shall ensure that certified out-of-court dispute settlement bodies cooperate within a European framework of dispute settlement bodies, coordinated by the European Commission. The network shall facilitate exchange of best practises.*
12. *The European Commission shall together with an expert group, develop guidelines for the setting up of the out-of-court dispute settlement mechanisms, those guidelines should set out procedural rules for different dispute resolution mechanisms including EU templates for model clauses for out-of-court dispute settlement. (AM 1609 Rap.)*

Article 103b
Judicial dispute settlement

1. *Member States shall be encouraged to designate courts, chambers or panels competent for disputes on matters relating to an EU Inc. company with the exception of disputes relating to employee participation.*

2. By ... [the date of application of this Regulation], the Commission shall issue guidance addressed to Member States concerning judicial dispute settlement on matters relating to EU Inc. companies. The guidance may, in particular, invite Member States to provide for specific procedural arrangements or short deadlines for judicial proceedings involving EU Inc. companies, including proceedings related to digital case management, allowing for electronic filing, case tracking, and virtual hearings, and handling the cases in English language.

3. The Commission shall ensure that competent judicial authorities receive specialised and continuous training on Union company law and on the application of this Regulation, as well as a training on improvement of linguistic skills. The Commission shall encourage the organisation of regular meetings between judges in order to discuss developments in company law in relation to this Regulation, to ensure the consistency of its application and foster the exchange of best practices.

4. Member States shall be encouraged to regularly inform the Commission of measures taken in response to the guidance, referred to in paragraph 2.

5. The guidance referred to in paragraph 2 shall respect the independence of the judiciary and the procedural autonomy of Member States. (AM 231 Rap.)

Article 103c

Public data base on Union and national case law and decisions of certified out-of-court dispute settlement bodies relating to EU Inc. companies

1. Member States shall publish, in an easily accessible and electronic format, any final judgment delivered by their national courts in relation to proceedings launched pursuant to this Regulation. The publication of such a judgment shall be carried out in accordance with national law.

2. The Commission shall set up and maintain an easily accessible and publicly available database containing the judgments referred to in paragraph 1, as well as references to relevant judgments delivered by the Court of Justice of the European Union.

The database shall also include a section, where decisions made by certified out-of-court dispute settlement bodies under Article 103a are systematically published in anonymised form, provided that personal data are protected in accordance with Regulation (EU) 2016/679 and that confidential business information, including trade secrets, are not disclosed.

3. The public database shall be accessible via the central digital platform set up by the Commission pursuant to Article 103d. (AM 231, 1610 Rap.)

Article 103d
EU Inc. digital platform

- 1. The Commission shall set up and maintain an open access EU Inc. digital platform with easily accessible and publicly available information for companies, investors and other relevant stakeholders including trade unions, academia and legal practitioners. For that purpose, the Commission shall be empowered to adopt implementing acts by ... [PO: the last day of the 6th month after the date of entry into force of this Regulation], in accordance with the examination procedure referred to in Article 107 to lay down technical specifications of the EU Inc. digital platform.**
- 2. The EU Inc. digital platform shall be interoperable with, and connected to the e-Justice portal, BRIS and the EU central interface, referred to in Article 15 and it shall also enable research through non-discriminatory secure and documented application programming interfaces.**
- 3. The Commission shall make available electronically in all official languages of the Union information and practical guidance on the rules applicable to EU Inc. companies, with regard to their formation, operation and dissolution, including the relevant national law for each national legal form referred to in Article 1a (4) in each Member State, accompanied by:**
 - (a) step-by-step registration guidance;**
 - (b) information on the competent authorities in each Member State (AM 972 EPP)**
 - (c) information on available out-of-court dispute settlement mechanisms, including a list of certified dispute settlement bodies as set up under Article 103a as well as easily comparable information on different mechanisms and tools, procedural rules and fees, as well as on judicial dispute settlement mechanisms;**
 - (d) information on financing and investment opportunities.**
- 4. The digital platform shall be interoperable with and include the public database on Union and national case law as well as decisions of certified out-of-court dispute settlement bodies relating to EU Inc. companies, referred to in Article 103c. The Commission shall ensure the availability of high-quality machine translation tools and develop an AI-powered search and analysis tool as well as a notification system for updates to national laws affecting EU Inc. companies. (AM 323, 1611 Rap.)**

CHAPTER XII – FINAL PROVISIONS

Article 104

Data protection

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

Article 105

Accounting

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

Article 106

Penalties

1. Member States shall provide for effective, proportionate and dissuasive penalties at least in the case of:
 - (a) a failure to file the documents and information as required by Articles 25 (1), 40 (2), 82, 84 (2), 92 (4);
 - (b) a failure to update the filed documents and information and file changes within the periods laid down in Article 27;
 - (c) a failure to file and update the required information in the digital register of shares in accordance with Articles 54, 66 (2) and 67 (6);
 - (d) a false or misleading declaration as required by Articles 22 (1) and 84 (2) point (a).
 - (da) the abuse of the EU Inc. legal form for the purpose of evading obligations under Union or national law relating to statutory or collectively agreed wages, social security contributions, taxation or other mandatory employment protections; (AM 233, Rap., AM 1617 Greens)**
 - (db) the artificial arrangement of corporate structures, including the creation of letterbox companies or fragmentation of entities into chains, the establishment or maintenance of multiple branches to artificially divide the number of employees (AM 1616 Renew), employment relationships, workforce allocation or the location of the registered office, central administration or principal place of business for the purpose of avoiding or circumventing board-level employee participation, representation, or information and consultation rights under Union or national law; (AM 234, Rap., AM 1621 Greens)**
 - (dc) the provision of false, incomplete or misleading information concerning the number, location or status of employees where such information is relevant for determining employee participation rights or obligations under Union or national labour and social security law; (AM 235, Rap., AM 1623 Greens)**
 - (dd) a failure to establish, maintain, update or comply with employee participation arrangements required under this Regulation or under the applicable national law designated by this Regulation; (AM 236, Rap., AM 1625 Greens)**
 - (de) the use of EU-ESO or EU-ESOP programmes or any other remuneration arrangements, for the purpose of substituting ordinary remuneration, evading obligations relating to wages, social security contributions or taxation, driving remuneration below statutory or collectively agreed levels, or otherwise or otherwise circumventing obligations relating to employee protection under Union or national law; (AM 237, Rap., AM 1626 Greens)**
2. Member States shall take all the measures necessary to ensure that the penalties referred to in the first paragraph are enforced.
- 2a. Where a final administrative or judicial decision has established a serious or repeated breach of any of the obligations referred to in this Article, Member States shall ensure that the EU Inc. company, its founders, directors and, where applicable, legal persons exercising control over the EU Inc. company are ineligible to establish**

a new EU Inc. company under this Regulation. In cases of serious or repeated infringements, Member States shall ensure that competent authorities have the power to withdraw the EU Inc. status and require the company to convert into a national legal form or to undergo ordinary winding-up proceedings. (AM 238, Rap., AM 1627 Left and 1628 Left)

- 2b.** *Where strictly necessary to prevent harm from activities listed under paragraph 1, Member States shall ensure that competent authorities and courts may order interim measures, injunctions and, where appropriate, remedial measures. (AM 239, Rap.)*

Article 106a

Prevention of abuse and circumvention

- 1.** *An EU Inc. company shall not be used for abusive or fraudulent purposes or for the circumvention of rights, obligations or safeguards laid down by Union or national law.*

In particular, an EU Inc. company shall not be used in a manner that undermines the rights and interests of employees, creditors and minority shareholders protected under Union or national law.

- 2.** *An EU Inc. shall not be used for the purpose of depriving employees of, or denying them, rights of board-level employee participation.*

The use prohibited by the first subparagraph shall be deemed to exist where the number of employees in a Member State exceeds a national threshold for board-level employee participation and an equivalent level of participation is not provided for in the EU Inc. Where employee participation rights have been circumvented in breach of this Article, the national rules on employee participation of the Member State whose national threshold has been exceeded shall apply mutatis mutandis.

- 3.** *Where the national thresholds of more than one Member State have been exceeded, the national rules providing for the highest proportion of employee representatives shall apply. (AM 240, Rap.)*

Article 106b

Exercise of the delegation

- 1.** *The power to adopt delegated acts is conferred on the Commission subject to the conditions laid down in this Article.*

- 2.** *The power to adopt delegated acts referred to in this Article shall be conferred on the Commission for a period of five years from the date of entry into force of this Regulation. The Commission shall draw up a report in respect of the delegation of power not later than nine months before the end of the five-year period. The delegation of power shall be tacitly extended for periods of an identical duration, unless the European Parliament or the Council opposes such extension not later than three months before the end of each period.*

- 3.** *The delegation of power referred to in Articles 1a, 7, 8, 34, 35 and 98 may be revoked at any time by the European Parliament or by the Council. A decision to revoke shall put an end to the delegation of the power specified in that decision. It shall take effect the day following the publication of the decision in the Official Journal of the*

European Union or on a later date specified therein. It shall not affect the validity of any delegated acts already in force.

4. *Before adopting a delegated act, the Commission shall consult experts designated by each Member State in accordance with the principles laid down in the Interinstitutional Agreement on Better Law-Making of 13 April 2016.*
5. *As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament and to the Council.*
6. *A delegated act adopted pursuant to this Article shall enter into force only if no objection has been expressed either by the European Parliament or the Council within a period of 3 months of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by 3 months at the initiative of the European Parliament or of the Council. (AM 241 Rap.)*

Article 107 **Committees**

1. The Commission shall be assisted by the Committee on Interconnection of Central, Commercial and Companies' Registers ('the BRIS committee'). That committee shall be a committee within the meaning of Regulation (EU) No 182/2011.²⁷
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 Council²⁸. That committee shall be a committee within the meaning of Regulation (EU) No 182/2011²⁹.
3. Where reference is made to this paragraph, Article 5 of Regulation (EU) No 182/2011 shall apply.

Article 108 **Reporting and review**

1. The Commission shall, by [*PO: the date ~~five~~ three 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

²⁷ 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>

²⁸ 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>

²⁹ 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>

Committee. Member States shall provide the Commission with the information necessary for the preparation of the report. (AM 242, Rap., AM 1634 Greens, AM 1635 Renew)

3. The report of the Commission shall in particular evaluate:

- (a) the ~~take uptake~~ of the *new EU Inc. and EU Inc. SO* ~~new~~ legal form, *including the number of how the EU Inc. and EU Inc. SO companies were formed and the extent to which the how many were created through the EU central interface and with harmonised templates for standard articles of association have been used;*
- (b) *the extent to which the EU Inc. legal form has facilitated the establishment, cross-border scaling and operation of innovative and growth-oriented companies within the internal market;*
- (c) *whether the list of economic activities set out in Annex Ia remains appropriate to ensure the EU Inc. legal form remains targeted at innovative and growth oriented companies and at the same time prevents the misuse of the corporate form;*
- (d) *the application and effectiveness of the provisions on board-level employee participation rights, in particular:*
 - i. *the interaction between the employee involvement regime established by this Regulation and national systems of employee participation rules;*
 - ii. *whether the Regulation has led to regulatory arbitrage, circumvention of employee participation rules, or artificial fragmentation of undertakings or groups for the purpose of avoiding employee participation-related obligations;*
- (e) *the extent to which the Regulation has improved access to finance for EU Inc. companies, including through venture capital, institutional investors and other sources of financing;*
- (f) *whether the Regulation has reduced legal, administrative and compliance costs for companies operating across borders;*
- (g) *whether further simplification of cross-border administrative procedures and the application of the once-only principle are necessary; (part. AM 1639, EPP)*
- (h) *the application of Article 103c on the public data base on Union and national case law relating to EU Inc. companies, in particular:*
 - iii. *the functioning of the database;*
 - iv. *the number of judgements published by each Member State, as well as the number of judgements relating to EU Inc. companies delivered by the Court of Justice of the European Union, made available through the database;*
 - v. *whether the database could be extended to cover European company law in a more systematic manner;*
 - vi. *the extent to which the database contributes to the transparency, accessibility and uniform interpretation and application of this Regulation throughout the Union.*
- (i) *the functionality and content of the EU Inc. digital platform.*

Where appropriate, the report referred to in the first subparagraph shall be accompanied by one or more legislative proposals. Such proposals may, in particular, provide for:

- *the establishment of a European Company Law Observatory, to provide open-access and comparable information on the business regulation in the Member States, in all official languages of the Union;*
 - *a harmonised framework for equity-like debt instruments enabling investors to provide long-term capital to companies without acquiring ownership or control rights, including insolvency rules linked to those instruments. (AM 243, Rap., AM 1637 Greens, AM 1639, EPP, AM 1640, Renew)*
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. (moved to Article 16).~~
- 2a. *The report of the Commission shall in particular evaluate:*
- (a) the extent to which the Regulation has improved access to finance for EU Inc. companies, including through venture capital, institutional investors as well as non-equity, third party financing including collateral arrangements and other sources of financing;*
 - (b) the functioning and use of the central interface, including its interoperability with the Business Registers Interconnection System and the digital platform established under this Regulation; (AM 1643, Rap.)*

Article 109

Entry into force and date of application

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

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

Done at Brussels,

*For the European Parliament
The President*

*For the Council
The President*

CORRESPONDING RECITALS

- (76) The prohibition of discrimination, which is one of the fundamental principles of Union law, requires that comparable situations are not treated differently unless such difference in treatment is objectively justified. Therefore, Member States should treat in law and in fact EU Inc. companies in a non-discriminatory manner vis-à-vis other legal forms as regards comparable aspects, unless it can be demonstrated that the differential treatment is justified by an objective justification and proportionate. Accordingly, the rights and privileges that are legally granted or available in practice to other company forms in the Member States must in principle also be granted or available to EU Inc. companies. Differential treatment should be exceptionally possible only where it is objectively justified on the basis of specific and convincing reasons and it is proportionate to the aim pursued.
- (77) Certain national rules are particularly obstructive of the free exercise by market operators of the fundamental freedoms laid down in the Treaties. While these rules concern all market operators, they are particularly damaging to those that pursue an economic activity with a view to innovation, productivity and scaling-up in the internal market in particular in a cross-border context, which will often be set up under the EU Inc. company form. Such companies, in particular when requiring public support, are particularly vulnerable to certain serious national restrictions which are in view of the case law of the CJEU clearly unjustified or disproportionate.
- (78) In order to prevent such measures from impeding the good functioning of the internal market, and to reduce the need for long and costly litigation, these restrictions should be prohibited altogether without the possibility of justification. The provisions set out herein shall not affect any requirements flowing from sectorial EU law. This Regulation should also not be construed as justifying restrictions to the freedom of establishment, free movement of goods, workers and services contrary to the TFEU or other provisions of Union law, including with respect to persons or companies outside the scope of this Regulation.
- (79) Business registers and authorities in charge of issuing the TIN and the VAT identification number, social security authorities and beneficial ownership registers should process any personal data of legal representatives and other persons that can lawfully represent a company, and of single shareholders, including personal data which are to be made publicly available in the registers, in accordance with Regulation (EU) 2016/679 of the European Parliament and of the Council³⁰. The Commission should process personal data in the context of this Regulation in accordance with Regulation (EU) 2018/1725 of the European Parliament and of the Council³¹.

³⁰ Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation) (OJ L 119, 4.5.2016, p. 1), ELI: <http://data.europa.eu/eli/reg/2016/679/2016-05-04>

³¹ Regulation (EU) 2018/1725 of the European Parliament and of the Council of 23 October 2018 on the protection of natural persons with regard to the processing of personal data by the Union institutions, bodies, offices and agencies and on the free movement of such data, and repealing Regulation (EC) No 45/2001 and Decision No 1247/2002/EC (OJ L 295, 21.11.2018, p. 39), ELI: <http://data.europa.eu/eli/reg/2018/1725/oj>

- (80) EU Inc. companies should process personal data in the digital register of shares in accordance with Regulation (EU) 2016/679. To facilitate compliance with data protection rules and ensure the implementation of proportionate data protection measures, the EU templates for the articles of association will contain provisions on data protection related to the digital register of shares.
- (81) Whilst acknowledging the competence of Member States to organise their national judiciary systems, they could designate or establish specialised judicial chamber or court for disputes involving EU Inc. companies on matters covered by this Regulation. That would facilitate a seamless conduct of procedures and could generate a coherent national jurisprudence, with disputes arising under the Regulation being resolved by judges possessing the expertise for company and insolvency law litigation. If disputes are resolved more rapidly and at lower cost, it would increase the attractiveness of the new legal form for its addressees and reduce the incentive for startups and scaleups to move to third country jurisdictions. In addition, the Commission's Communication on European Judicial Training Strategy 2025-2030 has identified the necessity of upskilling of justice professionals within the legal framework proposed by this Regulation, which can be tailored in the process of specialisation.
- (82) This Regulation does not affect the ability of Member States to examine applications for the formation of companies and registration of branches in order to address fraud or abuse, in compliance with Union law, or Member States' investigation and enforcement actions, including by the police or other competent authorities. Obligations under Union and national law arising from anti-money laundering and counter terrorist financing should remain unaffected. Given the risk of misuse of legal business structures stressed in Europol's Serious and Organised Crime Threat Assessment of 2025, authorities in the Union and Member States need to make sure that the EU Inc. is not misused by organised crime networks or other criminals.
- (83) This Regulation does not affect Union or national employment law. These laws should apply to EU Inc. companies as they apply to any other Union limited liability company. The corporate legal framework established by this Regulation forms part of the legal environment of the internal market and builds on the Union company law acquis.
- (84) The objectives of this Regulation, namely to provide a common legal framework for companies, in particular startups and scaleups, in the Union, to provide simple and efficient corporate rules and procedures throughout the company lifecycle and to ensure that corporate rules provide an enabling framework to invest, cannot be sufficiently achieved by the Member States, but can rather, by reason of their scale and effects, be better achieved at Union level. Therefore, the Union may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty on European Union. In accordance with the principle of proportionality, as set out in that Article, this Regulation does not go beyond what is necessary in order to achieve those objectives.
- (85) The Commission should carry out an evaluation of this Regulation. The evaluation should cover, among others, the take up of the EU Inc. new legal form, how the EU Inc. companies were formed and how many were created through the EU central interface and with harmonised templates. Every five years the Commission should

also review the maximum cost of EUR 100 for the fast-track formation of an EU Inc. through the EU central interface in line with the harmonised index of consumer prices.

- (86) The European Data Protection Supervisor was consulted in accordance with Article 42(1) of Regulation (EU) 2018/1725 of the European Parliament and of the Council (13), and delivered an opinion on [insert date].
- (1) In order to allow time for preparation of Member States and companies, this Regulation should apply 12 months after its entry into force.

HAVE ADOPTED THIS REGULATION:

CA 12

Compromise amendment on Annexes

Compromise amendment replacing all relevant amendments, including AMs 245-246, 1661-1664

ANNEX I

Minimum content of the articles of association of an EU Inc. company

An EU Inc. company shall have articles of association that cover at least the following particulars:

- the legal form;
- the name of the company;
- the address of the registered office of the company, including the Member State where it shall be/is registered;
- the object of the company;
- the amount of capital, including where the amount of capital is EUR 0;
- the total number of shares issued,
- 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);
 - (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.

ANNEX Ia (AM 246 Rap., AM 1663 Left)

List of economic activities excluded from the scope of this Regulation

List of economic activities that are considered unlikely to develop a new or improved product, service or process that significantly differs from previous iterations and is made available to potential users, expressed using the relevant Statistical Classification of Economic Activities in the European Community (NACE) code:

- 1. Construction***
- 1. Cleaning activities***
- 2. Hospitality services***
- 3. Freight transport by road***
- 4. Residential care activities***
- 5. Processing and preserving of meat and production of meat products***
- 6. Investigation and security activities***