

# FESE response to the Commission consultation on the 28<sup>th</sup> regime

Brussels, 26<sup>th</sup> September 2025

## I. Barriers related to corporate law issues

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

☐ Have you set up a company?

**If so, where did you set it up?**

- ☐ in your country in the EU/EEA  
☐ in another country in the EU/EEA  
☐ in a country outside the EU/EEA

**Please elaborate:**

☐ Have you abandoned setting up a company?

**If so, where?**

- ☐ in your country in the EU/EEA  
☐ in another country in the EU/EEA  
☐ in a country outside the EU/EEA

**Please explain the reasons:**

☐ Have you faced problems with attracting private investment into your company?

**If so, from where?**

- ☐ in your country in the EU/EEA  
☐ in another country in the EU/EEA  
☐ in a country outside the EU/EEA

**Please explain the problems:**

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

|  | To a very | To a large extent | To a moderate extent | To a small extent | Not at all | Don't know / |
|--|-----------|-------------------|----------------------|-------------------|------------|--------------|
|  |           |                   |                      |                   |            |              |

|   | large extent                        |                                     |                                     |                          |                          | no opinion               |
|---|-------------------------------------|-------------------------------------|-------------------------------------|--------------------------|--------------------------|--------------------------|
| Different national company law rules and company forms in Member States, such as e.g. GmbH in Germany, SARL in France or BV in Belgium  | <input type="checkbox"/>            | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Lack of available information about company legal forms and/or the procedure to set up companies in other Member States   | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Legal advice needed due to complexity related to different company legal forms and/or the procedure to set up companies in other Member States                                  | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Difficulties related to cross-border groups i.e. to the expansion of the company in other Member States through subsidiaries  | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Lack of an “EU brand” for private companies   | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Insufficient availability of digital tools and procedures related to setting up of companies  | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Insufficient availability of digital tools and procedures related to operation of companies e.g. digital general meetings, online filing  | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Insufficient availability of digital tools and procedures related to the closure of companies   | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Lack of implementation of the “once-only” principle (whereby company needs to submit the information only once and information is automatically shared between the authorities) | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Divergent company law frameworks in Member States   | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Lack of available information about company legal frameworks and/or the procedure to invest in companies in other Member States   | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Legal advice needed due to complexity related to different company legal forms and/or the procedure to invest in companies in other Member States                               | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

|   |                          |                                     |                          |                          |                          |                          |
|---|--------------------------|-------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Complex and non-flexible rules e.g. governing capital increases, shareholder rights, etc. | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Insufficient availability of digital tools and procedures to invest in companies          | <input type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Language issues   | <input type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Other issues  | <input type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Please specify [150 characters maximum]:

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

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

Examples of costs or other comments (optional)

[500 characters maximum]

**EU brand for companies:** in the context of the calls for a 28th regime, stakeholders also mention the lack of an EU brand for companies, which would be easily recognised and trusted by public authorities, 12 investors and other companies across the single market. The European Company (Societas Europea, SE) provides a legal form for companies at EU level but it is a European public limited liability company legal form and therefore is rather used by big public limited liability companies.

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

☒ Yes

☐ No

☐ Don't know/No opinion

#### 4.1 To what extent would it bring the following benefits:

|   | To a very large extent   | To a large extent                   | To a moderate extent     | To a small extent                   | Not at all               | Don't know / no opinion  |
|---|--------------------------|-------------------------------------|--------------------------|-------------------------------------|--------------------------|--------------------------|
| More start-ups would be created in Europe   | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/> | <input type="checkbox"/> |
| Investors would be attracted to invest in the 28th regime companies   | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/> | <input type="checkbox"/> |
| Other companies (suppliers, contractors etc.) from other Member States would be attracted to do business with the 28th regime companies | <input type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Consumers would recognise the 28th regime company as an EU company and would buy more products and services from such companies         | <input type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Other benefits  | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/> | <input type="checkbox"/> |

#### Please specify:

[250 characters maximum]

An EU brand under the 28th regime would ease cross-border recognition for start-ups and existing firms. Flexible board models and harmonised rules on employee rights, dismissal, and hours would further boost investment and growth.

#### Please explain (if no):

[500 characters maximum]

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

**Company type for 28th regime companies:** The overall call from the business community is for a new company legal form which by its simplified features would help start-ups and innovative companies in particular. A key issue is whether the new company form should have a broad scope and be available for all companies of a specific type, e.g. private limited liability companies (such as Gesellschaft mit beschränkter Haftung-GmbH) or public limited liability companies (such as Société Anonyme-SA) or whether it should have a narrower scope and be available only for a subset of companies, e.g. for those private limited liability companies which are “innovative” or those which are start-ups. Some stakeholders are calling for the new company legal form to have a broad scope and not to be legally restricted to any subset of companies. This is because companies evolve and can quickly outgrow any thresholds or definitions and the need to change the legal form could entail administrative burden and costs. Others argue, to the contrary, that the new company legal form should

focus on a more limited subset of companies, in particular innovative ones, for whom more specific and far-reaching substantive provisions might be necessary.

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

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

**Please elaborate:**

[250 characters maximum]

FESE believes the broadest possible scope should be adopted so that the regime benefits all relevant European companies, irrelevant of their legal form. We propose both private and public legal forms. Limiting the scope would discourage future IPOs.

**5.1 Should the company type for the 28<sup>th</sup> regime company be:**

- ☐ for all private limited liability companies
- ☐ for a sub-set of private limited liability companies
- ☐ Other
- ☐ No opinion

**Please explain:**

[150 characters maximum]

**5.2 Please specify for which subset of companies and explain why:**

- ☐ Innovative companies
- ☐ Start-up companies
- ☐ Scale-up companies
- ☐ Other companies

**Please explain:**

[250 characters maximum]

**5.3 Should the company type for the 28<sup>th</sup> regime company be:**

- ☐ for all public limited liability companies
- ☐ for a sub-set of public limited liability companies
- ☐ Other
- ☐ No opinion

**Please explain:**

[150 characters maximum]

#### 5.4 Please specify for which subset of companies and explain why:

- ☐ Innovative companies
- ☐ Start-up companies
- ☐ Scale-up companies
- ☐ Other companies

#### Please explain:

[250 characters maximum]

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

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

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

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

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

#### Please explain:

[200 characters maximum]

The number of shareholders should not be considered a major factor for a company under the 28<sup>th</sup> regime, and maximum flexibility should therefore be allowed regarding the composition of the shareholding.

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

- ☒ By creating a new 28th regime company “from scratch” (new companies)

- ☒ By converting an existing company into a 28th regime company
- ☒ Other methods

**Please explain:**

[250 characters maximum]

The 28<sup>th</sup> regime should be accessible to all European companies, both new and existing, wishing to benefit from a harmonised and simplified framework at the European level.

**8.1 Existing companies could become 28th regime companies through:**

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

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

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

**Please specify:**

[150 characters maximum]

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

**9. Should the 28th regime companies**

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

**Please explain your choice:**

[500 characters maximum]

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

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

- ☐ No minimum capital
- ☐ A symbolic amount (e.g. EUR 1)
- ☐ EUR 1000 - EUR 5000
- ☐ EUR 5000 - EUR 10000
- ☐ EUR 10000 - EUR 25000
- ☐ Other

**Please explain:**

[150 characters maximum]

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

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



**Please specify:**

[500 characters maximum]

|  |
|--|
|  |
|--|

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

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

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

|  | Strongly agree           | Agree                    | Neutral                  | Disagree                 | Strongly disagree        | Don't know/no opinion    |
|--|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Mandatory minimum capital increase in case of a significant annual loss                                      | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Distribution of dividends allowed only if company can pay its planned expenses over a defined period of time | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Allocation of a specific percentage of profits to company's legal reserve up to a predefined amount          | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Other safeguards   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

**Please specify:**

[500 characters maximum]

|  |
|--|
|  |
|--|

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

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

**Please explain your answer:**

[1000 characters maximum]

|  |
|--|
| Although this is a very sensitive issue, it would be beneficial if the rules on employee participation were also harmonised. Significant differences in national labour law systems, such as the role of trade unions, collective agreements, and employee |
|--|

representation on supervisory boards, make it difficult for companies to attract and retain talent and investors across borders. The 28th Regime should aim to minimise these disparities.

**Employee participation in case of cross-border mobility of 28th regime companies:** Cross-Border Mobility Directive (EU) 2019/2121 set out harmonised rules and procedures - with digitalised steps - for cross-border conversions and divisions and amended the existing procedure for cross-border mergers. The cross-border conversion procedure entails the transfer of registered office from one Member State to another Member State without the company being dissolved or liquidated. These rules aim to facilitate the cross-border mobility for companies while providing effective safeguards for employees, minority 19 shareholders and creditors. The Directive includes rules on the negotiation of employee participation in company boards to ensure that existing employee participation rights continue after cross-border mobility of companies but does not harmonise rules on employees' board-level representation rights

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

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

**Please explain your answer:**

[1000 characters maximum]

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

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

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

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

**Please explain your answer:**

[500 characters maximum]

In this regard, a European digital registration system, accessible in real time across all Member States and linked to the EUID, could be a key enabler of seamless cross-border activity.

**Online setting up of companies:** Under the existing EU company rules, it is possible to set up a private limited liability company fully online in all Member States and some time limits for the formation of the company must be respected. This means that it should be possible for entrepreneurs to carry out the whole process of establishing a company, including drawing up of the instrument of constitution (founding document) and all the necessary steps to enter the company in the business registers, directly or through possible intermediaries (such as notaries and other legal professionals), fully online. However, 20 stakeholders, in particular the start-up business community, still mention obstacles to setting up a company fully online and underline the need for an even faster and more flexible registration system. In this context, as an example of a more streamlined approach, some stakeholders point to systems used in other jurisdictions, where registration procedures for foreign founders are handled by authorized/registered agents.

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

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

|                                   |                          |                          |                          |                          |                          |                          |
|-----------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| registers (e.g. for tax purposes) |                          |                          |                          |                          |                          |                          |
| Other barriers                    | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

**16.1 Please explain the other barriers:**

[500 characters maximum]

**16.2 Please explain which steps cannot be carried out fully online:**

[500 characters maximum]

**16.3 Please explain which steps cannot be carried out without the involvement of intermediaries:**

[500 characters maximum]

**16.4 Please explain which steps would be most important to have in English:**

[500 characters maximum]

**16.5 How long does it take to set up a company?**

- ☐ Less than 2 working days
- ☐ Between 2 and 5 working days
- ☐ Between 5 and 10 working days
- ☐ Between 10 and 20 working days
- ☐ More than 20 working days

**16.6 Why does the process to form a company take too long?**

- ☐ due to the time needed by business registers to complete company registration
- ☐ due to the involvement of intermediaries
- ☐ for other reasons

**16.7 Please explain which steps would be most important to have in English:**

[250 characters maximum]

**16.8 To which authorities and for what purposes?**

- ☐ Tax authority - in the context of obtaining a Tax Identification Number (TIN)
- ☐ Tax authority - for other tax purposes

- ☐ Social security funds or other competent authority - due to requirements related to social security obligations
- ☐ Relevant authority related to anti-money laundering issues
- ☐ Other authorities

#### 16.9 Please specify the other tax purposes:

[250 characters maximum]

#### 16.10 Please specify the other relevant authorities:

[250 characters maximum]

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

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

#### 17.1 Please specify the other digital tools and solutions:

[500 characters maximum]

EU and national rules create heavy, duplicative reporting. Reporting should be reduced and a “once-only” principle applied so firms provide data once. A digital one-stop shop should streamline registration, licensing, and permits, with data reused across authorities. Automating standard processes and using AI tools would accelerate startups and cut administrative burdens. A well-calibrated ESAP could also play a role, potentially avoiding the need for additional new digital layers.

**Electronic identification and signatures:** Under the existing EU law, the fully on-line setting up of private limited liability companies, registration of cross-border branches and filing of

company information with the business registers rely on the EU Digital Identity Framework for the electronic identification that allows for instant and secure identification of individuals acting on behalf of a company, without the need for physical presence or manual verification by national authorities. Equally, these fully online procedures encompass 25 the use of trust services such as electronic signatures in line with the eIDAS Regulation (EU) No 910/2014. However, some stakeholders, and in particular the start-up business community, still mention issues with their use and call for seamless use of electronic signatures and integrated identity verification processes allowing them to quickly verify their identity.

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

- ☐ Problems related to the recognition and/or acceptance of the electronic identification
- ☐ Lack of clarity and guidance on the use of electronic identification in company registration and filing procedures
- ☐ Technical problems when using electronic identification
- ☐ Limited availability of electronic identification solutions
- ☐ Other issues
- ☐ None of the above

**18.1 Please explain:**

[500 characters maximum]

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

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

**19.1 Please explain:**

[500 characters maximum]

**The European Business Wallet** will further facilitate - and make it simpler and more digital - the way companies interact, including with public administrations. The January 2025 Company Law Directive, which Member States still need to transpose into their national laws, already provides that the EU Company Certificate, that is an EU corporate ID card, and

the European Digital Power of Attorney, are compatible with the Wallet and can be used in it. The existing European Unique Company identifier (EUID) will help ensure the seamless digital communication with authorities, thus reducing burdens on companies in the context of the forthcoming Wallet.

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

[500 characters maximum]

**The Instrument of Constitution and the Articles of Association** are basic legal documents in the formation of a new company and they provide legal certainty, transparency and predictability for founders and third parties dealing with the company. Together, they establish the company's legal identity and internal governance framework. The Instrument of Constitution formalises the founders' intention to create the company and includes essential information such as the company name, registered office, legal form, and share capital. The Articles of Association set out the rules governing the company's internal functioning, including provisions on management structure, decision-making processes, rights and obligations of shareholders, share transfer rules and profit distribution. In some Member States, there is only one document serving both purposes. An EU-wide template for instrument of constitution and articles of association for 28th regime companies could simplify their registration process and provide a faster and simpler way to form a company. However, it may result in reduced flexibility and limit the 28th regime companies' ability to tailor their governance to specific needs. Over time, companies may need to amend their Articles of Association to adapt their governance or structure to their different circumstances or different stage of development. However, the lack of simple, fully online and flexible company law procedures to make such amendments may make this process difficult and burdensome.

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

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

**Please specify:**

[500 characters maximum]

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

- ☐ Prioritise faster company registration through a fully standardised template, even if this limits the founders' ability to customise governance structures.
- ☐ Allow founders flexibility to tailor their Instrument of Constitution / Articles of Association to their specific needs, even if this can result in longer registration times and lack of uniform Instrument of Constitution / Articles of Association across the EU.
- ☐ Other

**Please explain:**

[500 characters maximum]

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

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



|  |                          |                          |                          |                          |                          |                          |
|--|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Constitution / Articles of Association |                          |                          |                          |                          |                          |                          |
| Other issues                           | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

### 23.1 Please specify the other issues:

[500 characters maximum]

### 23.2 Please explain what formalities

[500 characters maximum]

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

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

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

#### 24.1 Please explain:

[500 characters maximum]

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

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

#### 25.1 Please explain:

[100 characters maximum]

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

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

**26.1 Please explain:**

[500 characters maximum]

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

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

**27.1 Please explain:**

[500 characters maximum]

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

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

|   | To a very large extent   | To a large extent        | To a moderate extent     | To a small extent        | Not at all               | Don't know / no opinion  |
|---|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| The absence of a simplified / harmonised procedure for winding-up a company   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Impossibility to carry out all the steps for the closure of a company as regards the business register fully online | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Impossibility to carry out all the steps for the closure of a company   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

|   |                          |                          |                          |                          |                          |                          |
|---|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| without the involvement of intermediaries   |                          |                          |                          |                          |                          |                          |
| Impossibility to carry out all the steps for the closure of a company in English              | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Technical problems - lack of userfriendliness or functional problems with technical solutions | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| The process to close a company takes too long   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| The need to notify several authorities separately   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Other issues  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

**28.1 Please explain which steps cannot be carried out fully online:**

[250 characters maximum]

**28.2 Please explain which steps cannot be carried out without the involvement of intermediaries**

[250 characters maximum]

**28.3 Please explain which steps would be most important to have in English**

[250 characters maximum]

**28.4 Please specify how long it takes and why:**

[250 characters maximum]

**28.5 Which authorities**

- ☐ Tax authority
- ☐ Social security funds or other competent authority - due requirements related to social security obligation
- ☐ Other

**28.6 Please specify:**

[150 characters maximum]

**28.7 Please specify the other issues:**

[250 characters maximum]

#### IV. Attracting investment to 28th regime companies

**Access to finance:** Access to finance is a critical factor in the growth and development of companies, particularly of those that are innovative and fast-growing. The legal and structural characteristics of a company can significantly influence its ability to attract capital, whether from private investors, financial institutions, or public markets. In practice, many companies, especially startups and SMEs, continue to face fragmented national rules, paper-based formalities, and legal or administrative complexity when seeking to bring new investors into the company or carry out capital increases. In this context, it is important to consider how the proposal could support better access to funding from various sources. While Directives (EU) 2019/1151 and 2025/25 have significantly advanced the digitalisation of company law procedures in the EU, other critical procedures, such as those related to raising external investments and increasing share capital, have not yet been digitalised to the same extent. Making the capital increase procedure swifter, simpler and fully digital, could encourage new investors seeking to acquire shares and help to foster a more dynamic and competitive environment for equity investment in start-ups. This section of the consultation is complementary to measures aimed at promoting equity investments by institutional investors announced under the Savings and Investments Union Strategy.

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

|  | For companies            | For EU investors         | For non-EU investors     | Don't know / no opinion  |
|--|--------------------------|--------------------------|--------------------------|--------------------------|
| The need to involve intermediaries and follow in-person procedures when the general meetings give approval to capital increases        | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Time-consuming procedures to increase capital  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Difficulties in verifying investor/shareholder identity remotely, including in the context of the participation in the general meeting | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Language and translation requirements  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Time-consuming procedures for foreign investors in the context of obtaining the tax identification numbers (TIN)                       | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| High administrative or legal costs associated with the capital increase procedure  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Lack of (available) information about shareholders' rights, in particular in case of foreign investors                                 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Legal uncertainty or lack of clarity regarding required steps of a capital increase procedure  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Lack of cross-border platforms used for issuance and transfer of SME and start-up securities   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

|                |                          |                          |                          |                          |
|----------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Other barriers | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
|----------------|--------------------------|--------------------------|--------------------------|--------------------------|

### 29.1 Please specify the other barriers:

[150 characters maximum]

|  |
|--|
|  |
|--|

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

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

### 30.1 Please specify:

[100 characters maximum]

|  |
|--|
|  |
|--|

**Private contractual instruments:** such instruments enable investors to commit capital in advance of actual share issuance and could help to create more agile and competitive environment for equity investment in non-listed companies. This include contracts like “Simple Agreements for Future Equity” (SAFEs), which are very popular in the United States and are also already used in some EU Member States, e.g. in France: Bon de Souscription d'Actions par Accord d'Investissement Rapide (BSA AIR), as well as convertible notes, which combine features of debt and equity and are also well used in early-stage financing. These agreements allow company's directors to enter into agreements with investors about private equity financing in exchange for a capital increase and issuance of new shares in the future under pre-defined conditions (e.g., valuation caps, discounts, conversion events). These agreements make it possible for companies to raise funds quickly without issuing shares immediately, reducing costs and speeding up investment, which can be particularly useful for start-ups. However, they may dilute the 34 existing shareholdings, limit pre-emptive rights and create uncertainty around valuation and transparency when converted into equity.

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

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

**31.1 Please explain your answer:**

[300 characters maximum]

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

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

**32.1 Please explain your answer:**

[300 characters maximum]

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

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

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

**33.1 Please explain your answer (if selecting other than “yes”):**

[300 characters maximum]

**33.2 What types of share classes do you consider most relevant or beneficial for the 28th regime companies? Please describe the features (e.g., limited voting rights, dividend preferences, governance privileges, etc.) that you believe would be particularly suited to the needs and objectives of such companies.**

[300 characters maximum]

FESE supports the MVR shares Directive under the Listing Act. MVRs help SMEs and founders retain control while raising capital, making public listings more attractive. This supports earlier access to equity markets and aligns with the SIU goals.

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

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

**34.1 Please explain:**

[300 characters maximum]

The use of multiple classes of shares would be beneficial for company founders as it is a way for them to keep control of their company despite opening capital to investors. This would consequently also benefit investors, and would offer greater flexibility in designing shareholder agreements.

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

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

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

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

**35.1 Please explain:**

[300 characters maximum]

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

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

**36.1 Should those be mandatory or left to the 28th regime companies to define in their Articles of Association?**

- ☐ Mandatory
- ☐ For companies to define in their Articles of Association
- ☐ Don't know/No opinion

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

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

|  | To a very large extent   | To a large extent        | To a moderate extent     | To a small extent        | Not at all               | Don't know / no opinion  |
|--|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Capital contributions from <b>new shareholders or private investors</b> , including, but not limited to, business angels, venture and growth capital funds, corporate venture capital, and other private equity actors who may contribute funds in exchange for ownership or profit-sharing rights | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>Equity-based crowdfunding</b>   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |



|  |                                     |                          |                          |                          |                          |                          |
|--|-------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Admission to other <b>Multilateral Trading Facilities</b> (private platforms that allow for the trading of equity instruments under flexible but regulated conditions)   | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Admission to <b>regulated Stock Markets</b> : full public listing on a regulated exchange (e.g. the main markets of national stock exchanges), subject to compliance with the more stringent requirements of transparency, governance structures and reporting | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>Debt funding</b> (e.g. loans, bonds, etc. including access to debt exchange markets for the issuance and trading of debt securities)  | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Other financing channels   | <input type="checkbox"/>            | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

### 34.1 Please specify the other financing channels:

[500 characters maximum]

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

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

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

#### 38.1 Please explain your answer:

[1500 characters maximum]

The scope of the proposed regime should be broadened to include the possibility of having listed companies, rather than being limited solely to limited liability companies. Excluding listed companies would create a regulatory imbalance that may disincentivise growing companies from pursuing public listing once they reach sufficient scale or maturity. It could also encourage listed companies that wish to benefit from the 28<sup>th</sup> regime to delist. This would directly undermine key objectives of the SIU, which aim to promote greater access to public capital markets and facilitate business growth through equity financing.

The proposal to create a 28<sup>th</sup> regime is in fact included in the Commission's Competitiveness Compass, one of whose objectives is to achieve more integrated, deeper, and more liquid European capital markets. A regime that fails to accommodate listed entities risks fragmenting corporate mobility options, creating a system where companies must weigh the benefits of going public against the loss of the 28<sup>th</sup> regime's legal status.

This possibility does not mean that going public is the right option for any company. Some will prefer to remain private limited liability companies. However, to ensure coherence and avoid perverse incentives, the regime must cover the full lifecycle of companies, including those that wish to mature into publicly traded ones.

## V. Other issues

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

### INSOLVENCY

The existing Restructuring and Insolvency Directive (2019/1023/EU) ensures full discharge of debts for insolvent or overindebted, but honest entrepreneurs within three years; however, it allows certain debts to be excluded from the discharge, which some Member States use to exempt debts of entrepreneurs towards public authorities from their discharge. The proposal for an Insolvency Directive (COM/2022/702 final), which is currently under negotiation in the EU legislative process, contains a set of rules on simplified insolvency proceedings for micro-enterprises, with possible extension also to small and medium enterprises. The main motivation of a dedicated simplified insolvency liquidation regime for microenterprises, or possibly also for small and medium enterprises, including start up or scale up enterprises, would be to reduce the costs of the procedure, as traditional insolvency procedures are administratively burdensome and entail legal costs that many defaulting enterprises below certain size are not able to cover. Such simplified insolvency liquidation regime could also contribute to the elimination of 40 structural penalties and cultural stigma associated with startup failure and is demanded by innovative business stakeholders. In addition, the proposal also guarantees access to full discharge of debt for honest entrepreneurs, including asset-less cases in which the opening of insolvency proceedings is currently refused in many Member States.

**39. Beyond the existing Restructuring and Insolvency Directive and the proposal for Insolvency Directive currently in the negotiations, what are the main obstacles related to insolvency for companies, especially when they do business in more than one EU country? Please explain, including how those issues could be addressed and whether possible measures in the area of insolvency or in its vicinity could apply to specific types of companies (such as innovative companies or start-ups):**

[1500 characters maximum]

### TAXATION

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

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

[1500 characters maximum]

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

[1500 characters maximum]

The unanimity requirement for tax measures remains one of the most significant obstacles to the successful implementation of the 28th Regime. Overcoming this challenge will be essential.

For example, the development of uniform requirements and tax rules for employee share ownership plans across the EU would empower start-ups to offer attractive compensation structures, while reducing wage pressure during growth phases.

## EMPLOYMENT

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

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

[1500 characters maximum]

Significant differences in national labour law systems, such as the role of trade unions, collective agreements, employee representation on supervisory boards, and frameworks for wage taxes and social security contributions, make it difficult for companies to attract and retain talent across borders. The 28th Regime should aim to minimise these disparities.

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

[1500 characters maximum]

## COST OF FAILURE

Company failure involves a range of costs, both financial and non-financial. According to the Draghi report, EU companies face higher restructuring costs compared to their US peers,

which places them in a position of significant disadvantage in highly innovative sectors characterized by risk taking and winner-takes-most dynamics. The associated costs result from a range of factors including regulatory and cultural ones. Financial losses typically include unrecovered investments, outstanding debts, and closure-related expenses (e.g. redundancy payments, voluntary liquidation or insolvency proceedings) and vary in particular depending on the company's size and sector. Non-financial costs, such as reputational damage and stigma, can significantly impact an entrepreneur's willingness or ability to start again. In this context, cultural differences also play a role. While for example, in the U.S., failure is often seen as a learning experience that supports risk-taking and serial entrepreneurship, in many European countries a business failure is seen as a personal failure and often discourages re-entry into the market.

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

[1500 characters maximum]

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

**EMPLOYEE STOCK OPTIONS (ESOs)**

Many companies, in particular from the start-up community, stress the importance of being able to attract staff across the EU, in particular by being able to offer employee stock options to the prospective 42 employees, given that start-ups might not have the cash flow to offer competitive wages. However, they often find it difficult to distribute stock options to employees in different countries given the divergent national approaches and rules, including on taxation. In the tax treatment of employee stock options, there are in particular differences as regards the timing of taxation - with taxation occurring at various stages of the stock option lifecycle - and classification of income received from ESOs. The public consultation on the European Innovation Act also includes questions on ESOs. The Commission will take into account the replies to both consultations in its future work on this topic.

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

- ☒ Innovative companies
- ☒ Start-up companies
- ☒ Scale-up companies
- ☒ Other
- ☐ Don't know/No opinion

**46.1 Please explain:**

[500 characters maximum]

The development of uniform requirements for employee share ownership plans across the EU would empower companies, especially start-ups, to offer compensation

structures that reduce wage pressure during growth phases while still providing attractive benefits. A common framework for tax incentives is particularly important.

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

[1500 characters maximum]

## **STEWARD-OWNERSHIP - ASSET LOCK**

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

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

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

**48.1 Please explain:**

[1500 characters maximum]

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

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

**49.1 In which way?**

[1500 characters maximum]

**49.2 Please explain:**

[1500 characters maximum]

**VI. Additional information**

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

[1500 characters maximum]

From a digital finance perspective, advancing the discussion around the 28th regime to implement a common EU securities law could solve certain issues related to digital securities. Given the divergent approaches and definitions of dematerialised and digital securities across Member States, cross-border utilisation of new technologies becomes significantly more complex, time-consuming, and resource-intensive than issuing securities in physical form.

While the proposal of a 28th regime could, in principle, offer additional flexibility, lessons from the limited success of the Societas Europaea show that such frameworks only work if they respond to concrete market needs. It is essential that any proposal be grounded in thorough impact assessments and evidence of demand.