Cross border mergers and divisions

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The Committee on Legal Affairs adopted the report by Enrico GASBARRA (S&D, IT) on cross-border mergers and divisions.

Members recalled that in September 2014, the European Commission launched a public consultation procedure on cross-border mergers and divisions of undertakings. This consultation made it possible to gather information about the existing barriers to cross-border operations and about the amendments that needed to be made to existing legislation.

Stressing the importance of establishing a framework which regulates comprehensively the mobility of undertakings at European level, Members called on the Commission to devote attention to the results of the public consultation and **propose new rules on cross-border mergers and divisions** in the objectives of boosting internal market and fostering workers' rights.

Members called for the **revision** of Directive 2005/56/EC **on cross-border mergers of limited liability companies** in order to improve its implementation and to take into account recent developments in both the case law of the CJEU on freedom of establishment of companies and in European company law.

The future legislative proposal should **contain a fresh set of rules covering divisions of companies** and should set out guidelines for further legislation on the mobility of companies.

Moreover, while recalling that Directive 82/891/EEC only regulates divisions of undertakings within a Member State, Members noted that the figures on domestic divisions show a real need to establish a **special EU framework for cross-border divisions**.

The report considered it important that future legislative proposals on the mobility of undertakings should include provisions concerning maximum harmonisation – particularly regarding:

- procedural standards,
- assets and liabilities and accounting issues;
- the rights of **minority shareholders**;
- the establishment of minimum standards of information, consultation and codetermination of **workers** to improve their protection, in particular against social dumping.