

The 28th Regime: a new legal framework for innovative companies

2025/2079(INL) - 20/01/2026 - Text adopted by Parliament, single reading

The European Parliament adopted by 492 votes to 144, with 28 abstentions, a resolution with recommendations to the Commission on the 28th Regime: a new legal framework for innovative companies.

Parliament welcomed the Commission's commitment to submit a legislative proposal on a 28th legal regime for companies. It proposed that the form of company covered by the 28th regime be called a '**Societas Europaea Unificata**' (S.EU, Unified European Company). It insisted that the rules relating to the 28th regime be **the same throughout the EU** and that Member States not be allowed to maintain or introduce into their national law any provisions that diverge from those laid down in the legislative act on the 28th regime.

Members consider that a **regulation** is the most appropriate instrument for creating a 28th regime, although a maximum harmonisation directive could serve the same purpose. However, they oppose the use of Article 352(1) of the Treaty on the Functioning of the European Union as a legal basis, as it requires unanimity within the Council, and they view the use of enhanced cooperation with a critical eye.

Parliament requested that the Commission submit, **no later than the end of the first quarter of 2026**, on the basis of Articles 50 and 114 of the Treaty on the Functioning of the European Union, a proposal for a directive, following the following recommendations:

The 28th regime - legal framework

The S.EU should build on corporate forms established under national law. The Member States should be free as to **whether they choose to allow existing national corporate forms to convert into an S.EU or to create a new national corporate form**. The founders or the owners of a national corporate form should be able to voluntarily opt in to the new regime, which would allow for the use of the company label 'S.EU'.

In order to be eligible to register as an S.EU, a national corporate form should comply with the following: (i) it must be a legal entity with legal capacity that is automatically recognised in all Member States on the date of its registration; (ii) it must be a limited liability company; (iii) it must not be a listed company.

To establish a company eligible to register as a 'Societas Europaea Unificata' (S.EU) (Unified European Company), the immediately paid-in minimum capital requirement must, for the purpose of the registration of that company, be set at **EUR 1**.

The creation and registration of an S.EU should be fully digital and comply with the 'once only' principle whereby companies submitting a document in one Member State should not have to submit it again in another Member State. The setting up of an S.EU must be finalised within **48 hours**.

Upon creation, an S.EU should receive a unified **digital identity** and company identifier to streamline registration, boost transparency and trust, facilitate company identity verification, and combat fraud, money laundering and tax evasion, while ensuring legal certainty. To facilitate the achievement of those objectives, a **uniform Union-level digital portal** that serves as a direct entry point for S.EUs should be created or integrated into existing structures and operated by the Commission.

Safeguards

The rules on S.EUs should be without prejudice to Union and national **labour law** including rules on the participation of employees, employees' representatives, or both, in the affairs of a company. As a matter of principle, the S.EU should be treated by its home Member State in the same manner as the domestic limited liability company form that on which it is built and by any host Member State in the same manner as comparable Union foreign law companies.

Encouraging long-term strategies and optional forms

With a view to stimulating European innovative companies and attracting investment, Member States should introduce rules that allow for companies to voluntarily and irrevocably opt in to **additional legal protection schemes** to help European companies that might want to protect themselves from 'killer acquisitions' and relocation. Those schemes can include: (i) the separation of voting rights and economic rights through different classes of shares, including dual-class shares, veto shares and preferred shares; (ii) the qualification of voting rights as non-transferable and non-inheritable; (iii) profit distribution to investors or economic rights holders on the basis of a contractual agreement limited either in time or in amounts and which can be terminated by either party at any time.

Attracting and supporting talent

The S.EU framework should facilitate free movement within the Union, without the need for intermediaries in administrative processes, while respecting applicable Union and national rules on labour and social law.

The S.EU should provide for optional harmonised rules across the Union on **employee financial participation schemes**, in particular on the structuring of employee stock ownership plans ('ESOPs'), facilitated via a separate legal entity, and the creation of employee stock option plans ('ESOs'). This will enable SMEs, start-ups and scale-ups not only to attract talent, incentivise long-term commitment and facilitate their operations across different national markets due to the design of existing distinct frameworks, but also to promote the full and fair participation of employees in the value they help create through their labour and intellectual capital.

Attracting capital

Parliament highlighted that the legislative proposal should in general bring clarity to European and foreign investors by enabling them to invest cross-border using harmonised rules. It called for the elaboration of **standardised multilingual model documents** to be used by S.EUs within the entire Union for shareholder agreements and articles of association. Furthermore, the legislative proposal should contain harmonised rules on equity-like debt instruments, including insolvency rules linked to those instruments, enabling investors to invest in a company without acquiring rights of control over that company.

Specialised dispute resolution

Members proposed a new, specialised dispute resolution mechanism. Participation in that mechanism should be subject to the consent of the parties involved. Disputes relating to individual and collective labour law should be excluded from that mechanism.