

28th regime corporate legal framework – EU Inc.

2026/0074(COD) - 18/03/2026 - Legislative proposal

PURPOSE: to offer better conditions for business creation and better prospects for investment, growth and expansion of businesses in the Union, in particular for start-ups and scale-ups.

PROPOSED ACT: Regulation of the European Parliament and of the Council.

ROLE OF THE EUROPEAN PARLIAMENT: the European Parliament decides in accordance with the ordinary legislative procedure and on an equal footing with the Council.

BACKGROUND: businesses, and in particular startups and scale-ups, need a predictable legal framework that fosters growth and enables them to meet new economic challenges in an increasingly digital world. To this end, corporate rules form the basis of the legal framework necessary to create a business-friendly environment and attract investment.

However, one of the main problems that businesses continue to face in the EU is the fragmentation of rules, including company rules, from one Member State to another, and the resulting obstacles across the single market. It is therefore necessary to simplify the regulatory framework and reduce fragmentation by harmonising legislation, including by introducing **a harmonised set of rules relating to businesses**, and in particular a **new harmonised national legal form** covering the different phases of a company's life cycle, including liquidation and insolvency.

Following on from the Letta report on the future of the single market and the Draghi report, the Commission communication entitled "A Competitiveness Compass for the EU" announced the establishment of a 28th regime as part of a comprehensive package of measures to strengthen the competitiveness of the European economy. In parallel, the European Parliament [resolution](#) of 20 January 2026 advocates for a 28th regime that should focus primarily on company rules and introduce a new type of company into national legislation, accompanied by simplified company formation and registration procedures.

CONTENT: the Commission is presenting **the proposal for EU Inc.**, a new, single set of rules for companies, which forms the cornerstone and starting point of the EU's 28th regime. EU Inc. is **an optional, digital-by-default framework** for businesses. It will make it easier for entrepreneurs to start, operate, and grow across the EU, while also encouraging the return of those who had relocated elsewhere.

Definition of the harmonised company EU Inc.

EU Inc. companies are limited liability companies that can be formed by one or more natural or legal persons, from scratch or through domestic or cross-border conversions, mergers or divisions. Those companies acquire a legal personality by virtue of registration in the business register of the Member State where they have their registered office and they are recognised by every Member State.

The Regulation provides a **principle of digital only procedures** for EU Inc. companies, whereby they are entitled to carry out all procedures within the scope of the Regulation fully online. The EU Inc. is subject to the employee participation rules applicable in the Member State in which it has its registered office.

EU central interface, formation and filing

The procedure for formation of an EU Inc. company may either be done through an online EU central interface, based on BRIS, allowing for a “fast-track” formation procedure within **48 hours and with a maximum cost of EUR 100**, or through a fully online formation with the national business register. In both cases, an application form has to be submitted. Standardised articles of association are mandatory for the “fast-track” formation procedure.

EU Inc. companies will obtain their tax identification and VAT numbers without having to resubmit paperwork.

Cross-border accessibility and use of information about an EU Inc. company.

The proposed regulation harmonises the essential information and documents relating to an EU Inc. company that must be made publicly available by the commercial register in which the EU Inc. company is registered. It also sets deadlines for this filing by EU Inc. companies. The ‘**once only**’ principle prevents companies from having to provide the same information multiple times. EU Inc. companies will be able to use an EU Company Certificate as well as a digital EU power of attorney. EU Inc. companies will be free to open branches in other Member States than the Member State where the EU Inc. is registered.

Liquidation and insolvency procedures

EU Inc. companies will have access to fully digital liquidation procedures. Innovative startups will have access to simplified insolvency procedures to facilitate the winding down of operations.

Better conditions to attract investment

The proposal will remove in-person formalities, provide digital procedures for financing operations, and simplify the **transfer of shares**. There will be no more mandatory involvement of intermediaries for share transfers, and liquidation procedures. The proposal will also allow Member States to give EU Inc. companies access to the stock exchange.

Financing

The proposal establishes a flexible financing framework for the EU Inc. Shares of an EU Inc. company have no nominal value unless the articles of association provide otherwise. An EU Inc. company is also not required to have a minimum amount of capital, and conventional capital maintenance rules only apply to the extent the company chooses to build up capital. All distributions are subject to a balance sheet test and a solvency test.

However, all distributions are subject to a balance sheet test and a solvency test which ensure that the company remains viable.

European Stock Option Plan

EU Inc. companies will be able to set up EU-wide employee stock option plans. The stock option will only be taxed on the income generated once it is sold.

Shares

EU Inc. companies will have the flexibility to create different classes of shares with varying economic or voting rights.

The proposal has no impact on social and employment legislation.

Lastly, it establishes a list of prohibited requirements to ensure that Member States treat EU Inc. companies, in law and in practice, in the same way as other legal forms.