Statute for a European Company (SE)

1989/0218(CNS) - 25/08/1989 - Legislative proposal

PURPOSE: to create a European Company with its own legal framework in order to avoid the legal and practical constraints that result from twelve different legal regimes. CONTENT: This proposal for a Regulation defines the rules relating to the European Company (Societas Europaea = SE). The SE may be formed as a result of a merger, the formation of holding company, the formation of a joint subsidiary, or the conversion of a public limited company previously formed under national law. A draft constitution is required to be drawn up, to be published in the necessary official channels, to be examined by independent experts who will prepare a detailed report, and be approved by the General Meeting of shareholders. The SE is required to have a minimum capital of 100 000 euros, allocated in shares, the increase or reduction of which is subject to rules (in particular, the preferential right of shareholders and the protection of creditors). The rights and obligations with respect to shares are specified. The subscription to and acquisition of shares in the SE by the SE are generally prohibited. The SE has as governing bodies the General meeting of shareholders and either a management board and a supervisory board (two-tier system) or an administrative board (one-tier system). The appointment and the rights and obligations of the members, and the roles and operation of these bodies are defined. The SE must draw up annual accounts comprising the balance sheet, the profit and loss account, and an annual report giving a fair view of the company's business and of its position; consolidated accounts may also be required. The proposal also includes detailed rules concerning the winding up and liquidation of the company (including the role of liquidators).