Basic information

2010/2055(INI) INI - Own-initiative procedure	Procedure completed
Interconnection of business registers **Subject** 1.20.05 Public access to information and documents, administrative practice 3.45.01 Company law 3.45.08 Business environment, reduction of the administrative burdens	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
JURI Legal Affairs	LECHNER Kurt (PPE)	23/03/2010

Committee for opinion	Rapporteur for opinion	Appointed
ECON Economic and Monetary Affairs	MARTIN Hans-Peter (NI)	17/03/2010
IMCO Internal Market and Consumer Protection	SOULLIE Catherine (PPE)	04/05/2010

Council of the European Union

Council configuration	Meetings	Date
Competitiveness (Internal Market, Industry, Research and Space)	3016	2010-05-25

European Commission

Commission DG	Commissioner
Financial Stability, Financial Services and Capital Markets Union	BARNIER Michel

Key events

Date	Event	Reference	Summary
04/11/2009	Non-legislative basic document published	COM(2009)0614	Summary
21/04/2010	Committee referral announced in Parliament		
25/05/2010	Resolution/conclusions adopted by Council		Summary
23/06/2010	Vote in committee		Summary
29/06/2010	Committee report tabled for plenary	A7-0218/2010	

06/09/2010	Debate in Parliament		
07/09/2010	Decision by Parliament	T7-0298/2010	Summary
07/09/2010	Results of vote in Parliament		
07/09/2010	End of procedure in Parliament		

Technical information	
Procedure reference	2010/2055(INI)
Procedure type	INI - Own-initiative procedure
Procedure subtype	Initiative
Legal basis	Rules of Procedure EP 55
Other legal basis	Rules of Procedure EP 165
Stage reached in procedure	Procedure completed
Committee dossier	JURI/7/02628

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE441.230	11/05/2010	
Committee opinion	IMCO	PE441.244	02/06/2010	
Committee opinion	ECON	PE440.162	03/06/2010	
Amendments tabled in committee		PE442.909	07/06/2010	
Committee report tabled for plenary, single reading		A7-0218/2010	29/06/2010	
Text adopted by Parliament, single reading		T7-0298/2010	07/09/2010	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(2009)0614	04/11/2009	Summary
Commission response to text adopted in plenary	SP(2010)7906	08/02/2011	

Interconnection of business registers

2010/2055(INI) - 25/05/2010

The Spanish Presidency adopted conclusions on the interconnection of business registers.

- the Council considers that any network of business registers should provide citizens, businesses and public authorities with business information from companies that is reliable in accordance with the provisions of Directive 2009/101/EC and up-to-date. The data transmitted through the network should be based on a **common minimum list of documents and particulars**, and be technically standardised;

- it also considers that in order to strengthen confidence in the markets and to contribute to legal certainty, there is a need for an improved network of business registers that covers all 27 Members States;

- the Council welcomes the **Green Paper on the interconnection of business registers** which aimed to facilitate a general agreement on measures that would ensure easy access to information in business registers and direct communication among those registers across the European Union;

- the Council stresses that any future legislative proposals in this area should respect the principles of better regulation. They should be based on national registration and on their disclosure formalities and effects, including rules on data protection, **avoid any increase in the administrative burdens** on businesses, and be substantiated by a detailed impact assessment, including a cost-benefit analysis of the proposed measures;

- the Council invites the Commission to move forward in keeping to the following guidelines:

- steps should be taken to enable centralised access to the information in the business registers of the 27 Member States, including through the **e-Justice portal** which is part of the e-Justice project;
- work should continue on the study and establishment of an **electronic network or platform of electronic networks**, building on progress already made in existing projects, connecting the various nationally designated mechanisms for storing the information required by Directive 2009/101 /EC;
- any future legal framework governing business registers should ensure that: (i) all Member States take part in the network, (ii) data as specified in point 4 are transmitted through the network, (iii) there is a legal basis for cooperation between registers, particularly with regard to foreign branches;
- clear channels of communication between the registers should be established in order to ensure the **smooth cooperation of business registers in cross-border procedures**, such as mergers and divisions, seat transfers and foreign branch registration;
- in the long term, the possibility to **connect the enhanced network of business registers to the electronic network**, set up under the Transparency Directive8, storing regulated information on listed companies could be examined.

Interconnection of business registers

2010/2055(INI) - 04/11/2009 - Non-legislative basic document

PURPOSE: to evaluate the ways forward to improve access to information on businesses across the European Union through the interconnection of business registers (Commission Green Paper).

BACKGROUND: the current financial crisis highlighted once again the importance of transparency across the financial markets. In the context of the measures for financial recovery, **improving access to up-to-date and official information on companies** can be seen as a means to restore confidence in the markets all over Europe.

Business registersplay an essential role in this regard. The minimum standards of the core services are set by European legislation. In particular Member States have to maintain electronic business registerssince 1 January 2007. Nevertheless, in Europe, business registers operate on a national or regional basis: they only store information on companies registered in the territory (country or region) where they are competent.

Businesses increasingly expand beyond national borders using the opportunities offered by the Single Market. Cross-border groups as well as a high number of restructuring operations, such as mergers and divisions involve companies from different Member States of the EU. Furthermore, over the past decade the jurisprudence of the European Court of Justicehas opened up the possibility for businesses to incorporate in one Member State and conduct their business activity partly or entirely in another. There is an increasing demand for access to information on companies in a cross-border context, either for commercial purposes or to facilitate access to justice.

Efficient cross-border cooperation between the registers is not only essential for a smooth functioning of the Single Market. It also significantly reduces the costs for companies operating cross-border. Citing possible savings of EUR 161 million regarding certain information obligations stemming from the Eleventh Company law Directive (89/666/EEC), the experts were fully in support of achieving interoperability between trade registers throughout Europe.

The existing voluntary cooperation between business registries is, however, not enough. There is a **need for enhanced cooperation** between them. The principal existing cooperation mechanisms include the **European Business Register (EBR), the e-Justice project or the Internal Market Information System (IMI)**.

On the other hand, this led some of the EBR partners to launch a research initiative, funded largely by the European Commission, to promote interconnection between registers (**Business Register Interoperability Throughout Europe – BRITE**). The BRITE project that was completed in March 2009 had as its objectives to develop and implement an advanced and innovative interoperability model, an ICT service platform and a management instrument for business registers to interact across the EU, focusing in particular on the cases of cross-border seat transfers, mergers and on the better control of branches of companies registered in other Member States.

However, the BRITE project was a research project and thus its results were only implemented in a few countries to test their functionality. Since the end of the project phase there has been a discussion between participating Member States about the future use of the project results. A forward-looking strategic outline will be presented in November 2009on how to best ensure the maintenance of and regulate the responsibility for running the services which were envisaged as a follow-up to the BRITE project.

The Commission considers that there are tools and initiatives – such as the **European Business Register (EBR), the e-Justice project or the Internal Market Information System (IMI)** – that can promote the enforcement of this legal framework further, facilitate communication between the competent registers and enhance transparency and confidence in the market.

CONTENT: this Green Paper describes the existing framework and considers possible ways forward to improve access to information on businesses across the EU and more effective application of the company law directives.

The options set out provide some suggestions on how to address the questions explained above. The options require different involvement and commitment from the Member States. The Commission invites all interested parties to express their views on the considerations below. Each of the possible ways forward may need to be accompanied by legislative proposals so as to establish a clear legal framework for the cooperation. However, the added value of such legislative proposals would need to be assessed through impact assessments in accordance with the impact assessment guidelines of the Commission.

Access to information – the network of business registers: to facilitate access to information on companies across borders, **a network of business registers is needed in which all Member States participate.**

A possible way to ensure extensive involvement in a network would be to lay down a requirement to connect all business registers in the EU, possibly in the First Company law Directive (68/151/EEC). However, Member States should be able to decide how this network is set up and what the terms and conditions of the cooperation are. It may be useful to create a firmer legal basis for some features of the network, but the details of the cooperation should be determined through an agreement on the governance of the electronic network of business registers ("governance agreement"). The agreement could address issues such as: (i) the conditions of joining the network including the relation with non-EU members; (ii) the appointment of a body managing the network, questions of responsibility, funding, dispute resolution, etc; (iii) the maintenance of the central server and ensuring access to the public in all official languages of the EU. Member States would have the possibility to decide to build on the already existing results of EBR or to follow a different path.

Business registers participating in the network should remain free to establish their own pricing policy. However, they should not discriminate in their pricing between end users. It should be also ensured that the business registers participating in the network abide by minimum security and data protection standards, including Community data protection rules (95/46/EC) and relevant national provisions.

Finally, to facilitate access to information on companies even further, in the longer term, the connection of the network of business registers with the electronic network set up under the Transparency Directive (2004/109/EC) storing regulated information on listed companies could be envisaged.

Cooperation of business registries in cross-border mergers and seat transfers: there are essentially two options:

- **The first option is to use the results of the BRITE project** and designate or establish an entity that is in charge of maintaining the necessary services extended to all Member States. At present, 18 Member States are involved in a cooperation in the context of EBR and only six (five Member Statesand Norway) originally participated in the BRITE project and sub-projects, Latvia, Germany (North Rhine-Westphalia) and FYROM joining at a later stage. The creation of a network of business registers as mentioned above is likely to contribute to the implementation of the results of the BRITE project that may otherwise require significant time. As regards the costs of this option, since the use of the relevant services remains voluntary, the costs of joining and taking part in the cooperation would depend on the agreement of the parties.
- **The second option is to use the Internal Market Information System (IMI)** that is already operational and has the capacity to be extended to new areas of Community legislation in the coming years. Currently, IMI is used by over 1 600 competent authorities in 27 Member States and three EEA countries to exchange information under the Professional Qualifications Directive (2005/36/EC) and, as a pilot project, the Services Directive (2006/123/EC).

Interested parties are invited to give their views on which solution or a **combination of those solutions** they favour to facilitate communication between business registers in the cases of cross-border mergers and

seat transfers, and whether they support the proposed solution on the disclosure of branches.

The Commission considers that **IMI appears to provide a viable means** to temporarily or even permanently facilitate the communication of business registers in different Member States. However, it is not designed for automated data transmission that would be required for the enforcement of the Eleventh Company law Directive (89/666/EEC).

Member States, the European Parliament, the European Economic and Social Committee and interested parties are invited to submit their views on the suggestions set out in this Green Paper with a view of establishing a broad consensus on any measures that could be envisaged. Contributions are invited until 31 January 2010. In the follow-up to this Green Paper and on the basis of the responses received, the Commission will take a decision on the next steps.

Interconnection of business registers

2010/2055(INI) - 07/09/2010 - Text adopted by Parliament, single reading

The European Parliament adopted a resolution on the interconnection of business registers, in response to the Commission’s Green Paper on the same subject.

Noting that there is increasing demand for access to information about companies in a cross-border context, Members consider that the fact that business registers are not yet interconnected causes economic losses and problems for all stakeholders – not only companies but also their employees, consumers and the public.

Parliament points out that the High Level Group of Independent Stakeholders on Administrative Burdens (Stoiber Group) has shown that facilitating cross-border electronic access to business information could generate annual savings of more than EUR 160 million.

In this context, Parliament welcomes the Commission Green Paper on the interconnection of business registers. It believes that it is essential for the proper functioning of the internal market to make official and reliable information about companies trading in the EU available to the public.

Members note that greater transparency in the internal market could lead to increased cross-border investment. They are also convinced that better and easier access to information is necessary in order to assist small and medium-sized enterprises, as it helps to lighten the administrative burdens of such enterprises. They stress that easy access to reliable data concerning mergers, seat transfers or other cross-border procedures is indispensable for European companies.

Parliament believes that the project's usefulness for the further integration of the European economic area can be exploited only if all Member States take part. It takes the view that the European Business Register (EBR) initiative and the Business Register Interoperability Throughout Europe (BRITE) project should be pursued first, and considers that participation should be made compulsory. It also insists on the importance of the Internal Market Information System (IMI) for enhanced implementation of internal market legislation.

The resolution points out that register data are not comparable with data of a purely economic nature. Furthermore, the significance of the data held in different business registers can vary and that this can in turn have legal consequences, not only for companies but also for their workers and for consumers, that may vary from Member State to Member State.

Members believe, for this reason, that public access to reliable, up-to-date information should be provided via an official single access point which will improve transparency, efficiency and legal certainty, to the benefit of companies and their workers, consumers and the system as a whole. The Commission is called upon to work towards integrating all the Member States into this future single information access point by providing expertise and additional resources and to examine the advantages and disadvantages of mandatory membership of this new single information access point for all Member States.

Members call for effective ways of publicising the existence of this single access point to be guaranteed so that all stakeholders can use it to obtain clear and reliable information on European companies. They point out, however, that the steps taken should not impose additional administrative burdens on companies, particularly SMEs.

The resolution stresses the importance of further merging of BRITE, IMI and EBR data and systems in order to put in place a single information access point for internal market stakeholders and consumers. It supports the establishment, in the meantime, of compulsory mechanisms for cooperation between registries, in particular in connection with regularly updating the data required to be disclosed in respect of foreign branches.

Members insist that any European solution must guarantee members of the public and companies adequate protection for personal and commercial data. They stress that any integrated European solution must in particular take account of the extent to which national registers or existing European registers covering some sectors of the economy could be closed down, adapted or merged in order to prevent duplication of work, in keeping with the objective of cutting red tape.

Lastly, Parliament looks forward to the launch of the e-Justice portal, which must be accessible to individuals, businesses, legal practitioners and the judiciary and must be user-friendly.