

Basic information	
2016/2065(INI) INI - Own-initiative procedure	Procedure completed
Cross border mergers and divisions Subject 2.60.04 Economic concentration, mergers, takeover bids, holding companies 3.45.01 Company law	

Key players			
European Parliament	Committee responsible		Rapporteur
	JURI Legal Affairs		GASBARRA Enrico (S&D)
			Shadow rapporteur RADEV Emil (PPE) DZHAMBAZKI Angel (ECR) CAVADA Jean-Marie (ALDE)
European Commission	Commission DG		Commissioner
	Internal Market, Industry, Entrepreneurship and SMEs		BIEŃKOWSKA Elżbieta

Key events			
Date	Event	Reference	Summary
28/04/2016	Committee referral announced in Parliament		
04/05/2017	Vote in committee		
09/05/2017	Committee report tabled for plenary	A8-0190/2017	Summary
13/06/2017	Decision by Parliament	T8-0248/2017	Summary
13/06/2017	Results of vote in Parliament		
13/06/2017	End of procedure in Parliament		

Technical information	
Procedure reference	2016/2065(INI)

Procedure type	INI - Own-initiative procedure
Procedure subtype	Implementation
Legal basis	Rules of Procedure EP 55
Other legal basis	Rules of Procedure EP 165
Stage reached in procedure	Procedure completed
Committee dossier	JURI/8/06324

Documentation gateway				
European Parliament				
Document type	Committee	Reference	Date	Summary
Committee draft report		PE595.722	16/12/2016	
Amendments tabled in committee		PE599.811	22/02/2017	
Committee report tabled for plenary, single reading		A8-0190/2017	09/05/2017	Summary
Text adopted by Parliament, single reading		T8-0248/2017	13/06/2017	Summary
European Commission				
Document type	Reference		Date	Summary
Commission response to text adopted in plenary	SP(2017)574		20/11/2017	

Cross border mergers and divisions

2016/2065(INI) - 09/05/2017 - Committee report tabled for plenary, single reading

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.

Cross border mergers and divisions

2016/2065(INI) - 13/06/2017 - Text adopted by Parliament, single reading

The European Parliament adopted by 490 votes to 46, with 103 abstentions, a resolution on cross-border mergers and divisions.

Members recalled that the obstacles to full implementation of the Directive on cross-border mergers and the fact that there is no European Union law on cross-border divisions of undertakings entails manifest procedural, administrative and financial difficulties for the businesses concerned, as well as the risk of abuses and dumping.

The public consultation launched by the Commission in September 2014 provided 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, Parliament 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.

Mergers: 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.

Divisions: 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**. They stressed that any new directive should not be used as a formal instrument for divisions in an undertaking for the purpose of forum shopping to avoid legal obligations under national law.

Necessary amendments: the resolution 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.