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Answer given by Mr McGrath
on behalf of the European Commission
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The Competitiveness Compass¹ announced the initiative on the 28th regime as one of the key measures to contribute to EU competitiveness and to make business easier and faster in Europe. The underlying problem is the fragmentation of legal frameworks across Member States, which leads to reduced business activity and forgone opportunities for companies in the Single Market to grow and expand.

The recent Single Market Strategy² explained that the 28th regime will provide a single set of rules, potentially in a progressive and modular way. It would include an EU corporate legal framework, based on digital by default solutions, and will help companies overcome barriers when setting up and operating as well as attracting investment across the Single Market.

The 28th regime will aim to simplify applicable rules, and it will also address specific aspects within relevant areas of law, including insolvency, labour and tax law, with the overall objective to enhance competitiveness and help companies, in particular innovative ones, start-ups and scale-ups. At the same time, the measures under the 28th regime must strike the right balance with other interests, such as those of employees, and ensure that the fight against tax evasion, tax avoidance and fraud is upheld. To achieve this, it will be carefully considered, also based on stakeholders' views in the public consultation, what specific aspects should be addressed and how.

¹ COM(2025) 30 final.

² COM(2025) 500 final.