

EN
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Answer given by Mr McGrath
on behalf of the European Commission
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The chosen legal basis of the proposed Regulation on the '28th regime corporate legal framework – EU Inc.' reflects the aim and content of the proposal, as explained in the Explanatory memorandum¹. Indeed, the proposal aims at improving the functioning of the internal market and reducing fragmentation by creating a harmonised corporate legal framework which enables businesses to attract investment and grow, by enhancing and facilitating the free movement of capital by providing digital and harmonised rules and procedures that enable both EU and third country investors to invest in EU Inc. companies, and prohibiting the imposition of certain discriminatory or disproportionate requirements.

The EU Inc. proposal approximates the laws of the Member States by creating a harmonised company legal form embedded within the legal order of each Member State. It is therefore a national company legal form, not a supranational one. Member States are required to modify their national law to accommodate this new national form. The proposal further provides that an EU Inc. shall carry out cross-border conversions, divisions and mergers in accordance with Chapters I, II and IV of Directive (EU) 2017/1132, in the same way as existing national company forms. In view of this, the ruling in Case C-436/03 does not apply to the 'EU Inc.' Regulation.

¹ Proposal for a Regulation of the European Parliament and of the Council on the 28th regime corporate legal framework – 'EU Inc.', COM(2026) 321 final, p.6.