

(English version)

**Priority question for written answer P-000936/26
to the Commission
Anthony Smith (The Left)
(6 March 2026)**

Subject: The 28th regime: an El Dorado for companies at the expense of workers

On 10 September 2025, in her State of the Union address, Ursula von der Leyen announced the creation of a ‘28th regime’ for innovative companies, picking up the proposals made by Mario Draghi and Enrico Letta in their reports. The regime would establish a new European company law, which would take precedence over national laws.

Promoted under the guise of simplification for ‘faster growth’ in the European Union, the initiative nevertheless poses risks that have been legitimately identified by European trade unions, mainly in terms of workers’ rights and tax justice. In practical terms, the project could lead, in particular, to an unprecedented attack on national legislation by circumventing national rules on labour law, consultation of employees and taxation. It could also undermine labour inspection by creating structures that enable checks to be avoided.

In view of this:

1. What action will be taken to ensure respect for the highest national institutions with regard to labour law, information and worker mobilisation?
2. What action will be taken to prevent tax avoidance, tax optimisation and social dumping?

Submitted: 6.3.2026

**Answer given by Mr McGrath on behalf of the European Commission
(13 April 2026)**

The Commission proposal for a regulation on the 28th regime corporate legal framework — ‘EU Inc.’⁽¹⁾, adopted on 18 March 2026, concerns corporate law.

It does not affect EU or national employment laws. These laws will apply to EU Inc. companies as they apply to any other limited liability company in the EU.

For instance, the rules protecting workers will fully apply. This includes rules stemming from national and EU laws, including on wages, working time, working conditions, health and safety, equal opportunities for women and men, protection against discrimination, and dismissal protection. This also includes employees’ rights to information, consultation and participation in company boards (co-determination).

In the same way, the EU Inc. proposal will not affect any existing EU or national rules or safeguards related to tax avoidance or evasion or the circumvention of labour rules.

In addition, the Commission proposal provides that the formation of an EU Inc. should be subject to preventive control and to specific safeguards such as authentication and rules related to disqualified directors.

Moreover, the extension of the ‘once-only’ principle, i.e. the direct sharing at national level of relevant company information contained in business register with tax authorities, social security authorities and the beneficial ownership register, will ensure consistency and legal certainty and will further contribute to preventing fraud and abuse.

⁽¹⁾ COM(2026) 321 final.