28th regime: The European Commission proposes a new harmonised company form

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On 18 March 2026, the European Commission (EC) presented a proposal for a regulation introducing a new harmonised legal form for limited liability companies in the European Union (EU), which must be recognised by the legal systems of each Member State (MS). This regulation aims to lay the foundations and mark the starting point of the '28th regime'[1], with the objective of strengthening competitiveness and innovation in the EU, facilitating business growth through a simpler and more harmonised legal framework that reduces the current fragmentation between MS.

In this context, new companies will be able to choose to incorporate, or existing ones to convert, into this new corporate form, known as 'EU Inc.'. Among the main new features included in the proposed regulation, the following stand out:

1. *Faster initial registration*: incorporation may be completed within a maximum of 48 hours and at a maximum cost of €100.
2. *Simpler procedures*: all company information may be submitted via an EU central interface connecting national registers[2].
3. *Exclusively digital procedures*: all formalities may be carried out electronically by default.
4. *Simplified insolvency and winding-up procedures for solvent companies*: winding-up procedures may be fully digital, and a simplified insolvency procedure is provided for innovative start-ups.
5. *Access to capital markets*: the shares of these companies may be listed on multilateral trading facilities and regulated markets – in the latter case, provided MS have made provision for this in advance.
6. *Simplification of share transfers*: these may be carried out entirely online.
7. *Access to the entire single market*: regardless of the MS in which the EU Inc. company has established its registered office.

During 2025, the EC conducted, amongst other things, a public consultation and a *call for evidence* to shape this 28th regime. At the same time, meetings were held to exchange ideas with entrepreneurs and investors. Furthermore, in early 2026, the European Parliament submitted its recommendations regarding this new regime to the EC[3].

[1] The 28th regime was included among the proposals in the EC's roadmap for restoring Europe's dynamism and boosting economic growth, known as the Compass for Competitiveness, presented on 29 January 2025. This scheme includes, amongst other measures, the European Business Wallet, the establishment of specialised courts for EU Inc. companies, a new central European register and the Skills Portability Initiative. It is also linked to other initiatives such as the Savings and Investments Union, which incorporates measures such as the review of pension fund investment policy and the updating of the framework applicable to European venture capital funds.

[2] Similarly, the proposed regulation provides for the future creation of an EU register.

[3] European Parliament resolution, of 20 January 2026, with recommendations to the Commission on the 28th Regime: a new legal framework for innovative companies (2025/2079(INL)).

Pregunta

What will be the main features of EU Inc. companies?

Respuesta

EU Inc. companies will be limited liability companies with legal personality from the moment of their incorporation in the business register of a MS. Their founders will be able to decide in which MS to establish their registered office, the choice of which will determine the jurisdiction of registration.

Furthermore, to improve integration between registers, it is proposed to create an EU central interface based on the Business Registers Interconnection System (BRIS), to which future directors or managers may submit all initial information.

Articles of association are mandatory and must be drafted in at least one of the official languages of the MS in which the company is registered and in a language customary in the sphere of international business and finance. The EC must draw up templates for drafting the articles of association in the various languages. These standardised templates will enable access to the fast-track registration procedure, meaning that registration can be completed within a maximum of 48 hours and at a maximum cost of 100 euros[4]. In any case, the articles of association must always be accompanied by a harmonised application form[5]. In this regard, MS will be responsible for the registration of the EU Inc. company in accordance with their national legislation, which must comply with this Regulation and EU law. They will also be responsible for the administrative, judicial or notarial scrutiny of the articles of association at the time of the company's incorporation, as well as for any amendments thereto.

The company must have a board of directors, which shall consist of one or more natural persons, at least one of whom must reside in the EU. Its legal liability shall be governed by the applicable national legislation.

The company must also have a general meeting representing its shareholders. This meeting will be responsible for appointing and removing members of the board of directors, approving the annual accounts, and dealing with other matters included in the Regulation or set out in the articles of association. Within the general meeting, a quorum shall be established, and decisions shall be taken by a simple majority. Amendments to the articles of association, however, shall require a qualified majority of two-thirds. Nevertheless, the company's articles of association may stipulate different majorities.

If an EU Inc. company opens a branch in another MS, it may register it via the EU central interface or, entirely digitally, with the business register of that MS. This process will use a standardised digital form, which will enable the exchange of information between registers via BRIS and limit the need for the company to provide further information. Using the EU central interface allows the branch to be registered within 48 hours at a maximum cost of €100.

It is essential to highlight the principle of digital-only procedures, which means that all procedures set out in the regulations must be carried out electronically, except in exceptional cases where there is a duly justified reason requiring physical presence[6]. In this regard, and as a general rule, communications between the company and its shareholders must be carried out by digital means, unless the articles of association provide otherwise or there is an agreement between the company and the shareholder.

In any event, the national law of the MS shall apply in respect of any matters not covered in this new regulation or the company's articles of association. However, MS may not treat EU Inc. companies less favourably than domestic limited liability companies[7].

[4] If the company decides to draft the articles of association without using the templates, the incorporation period will be extended to a maximum of five working days. In both cases, it is possible to complete the incorporation process entirely digitally with the business register without using the EU's central interface, whilst maintaining the same requirements and deadlines.

[5] This form must be entirely digital, machine-readable and contain the information in the form of structured data.

[6] Regarding the requirement for physical presence, Article 10 of the Regulation refers to reasons of public interest aimed at preventing the misuse of personal identity or the representation of the company. In any case, these situations must be subject to a case-by-case analysis.

[7] In this regard, Article 103 of the Regulation sets out a list of prohibited requirements: criteria that deny eligibility for public aid on the grounds of having the office registered in another MS (or require the establishment of a branch), measures for carrying out an economic activity that require authorisation for certain activities, a local representative, physical presence in the MS, or that deny a payment account from another MS.

Pregunta

What is proposed regarding the financing and capital of these companies?

Respuesta

The EC proposes that EU Inc. companies should not be required to have a minimum capital, nor to build up capital or legal reserves over time.

The shares of these companies must be represented digitally. In this regard, the articles of association may provide for their representation using distributed ledger technology or other digital representation systems, thereby ensuring their digital transfer. Each share shall generally entitle the holder to one vote, unless the articles of association provide otherwise, and the creation of classes of shares with different rights and obligations shall be permitted.

With regard to shareholder control of the company, one-tenth of the share capital[8] may request the competent judicial or administrative body to commission an investigation by independent expert personnel where there are suspicions of a breach of applicable legislation or the articles of association.

Shares shall have no par-value, unless the articles of association provide otherwise. In any event, a single company may not issue both par-value and non-par value shares.

The issue of new shares must be approved by the general meeting or, where the articles of association so provide, by the board of directors, within the maximum limits established therein. Capital increases may be carried out by issuing new shares or by increasing capital from reserves.

Capital reductions must be approved by the general meeting and accompanied by a statement signed by the board of directors certifying that the assets will remain greater than the liabilities and that the company will be able to meet its debt obligations. Furthermore, they must be accompanied by a report prepared by an independent expert[9]
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Shares may be traded on a multilateral trading facility or on a regulated market, provided that the relevant legal requirements, both EU and national, are met, and the MS may not object. In the case of regulated markets, this possibility is subject to the relevant national regulations providing for it.

The company may establish an EU employee stock option plan (EU-ESO), aimed at board members and employees. This scheme will be implemented through warrants, which will be non-transferable and issued free of charge[10].

As regards their accounting, these companies will be subject to the accounting regulations of their home MS.

[8] This threshold of one-tenth of the capital may be reduced in the articles of association.

[9] These requirements shall not apply to capital reductions intended to cover losses or to cases where an equivalent capital increase is carried out simultaneously. In any event, if these requirements are breached, the members of the board of directors shall be jointly and severally liable. Furthermore, in the event of a capital distribution, the shareholder shall be obliged to return the amount received, to the extent necessary to cover the company’s liabilities.

[10] Shares must not be issued to persons holding a number of shares representing more than 25% of the voting rights, either at the time of issue or during the 24 months preceding it.

Pregunta

What is proposed regarding the winding-up and insolvency procedures for these companies?

Respuesta

The winding-up of solvent EU Inc. companies will be initiated, digitally, at the business register of the MS of origin. A fast-track liquidation procedure is envisaged, against which creditors may object electronically and request an ordinary liquidation within 30 days. If the business register considers the arguments put forward by the creditors to be well-founded, it must reject the fast-track liquidation and inform the company accordingly.

Similarly, the tax authority will have 30 days to object to the fast-track liquidation or request an extension of the deadline for up to a further 30 days.

Finally, once the relevant time limits have expired, the business register must strike the EU Inc. off, which will result in the loss of its legal personality.

With regard to insolvency proceedings for innovative start-ups[11], they may avail themselves of a simplified liquidation procedure in the event of an inability to meet their debts upon maturity. The procedure may be initiated by the company itself or any of its creditors, in both cases using a standardised form. The debtor, or the insolvency practitioner, must then draw up a list of creditors and claims, after which a period for objections will be opened, not exceeding 30 days. Finally, the sale of the debtor’s assets will be carried out via an electronic auction system[12], for which the EC must establish an interconnection mechanism between these systems. In any event, the simplified liquidation procedure must be completed within a maximum period of six months, with the possibility of extension for an equivalent period[13]. Once this period has elapsed, the procedure will cease to be simplified, and the liquidation will be processed through the ordinary procedure.

[11] The EC has adopted a Recommendation on the definition of innovative enterprises, which include:

- *Innovative enterprise:* (1) research and development (R&D) costs, during at least one of the three preceding financial years, represent at least 10% of operating costs or 5% of net sales; and (2) during this same period, it develops—with a view to commercialisation—products, services or business processes that are pioneering in its sector, with a risk of technological or industrial failure.
- *Innovative start-up:* (1) in addition to the R&D requirements, it is an independent company; (2) it employs fewer than 100 people; (3) its annual turnover or total balance sheet (or both) does not exceed €10 million; and (4) it has been in operation for less than 10 years since its registration.
- *Innovative scale-up:* (1) in addition to the R&D requirements, it is an independent company and does not exceed the threshold of €10 million in annual turnover or total balance sheet (or both); (2) over the previous two years, its annualised increase in workforce or revenue does not exceed 20 per cent; and (3) it must either employ fewer than 750 people or not be a listed company.

[12] In this regard, MS must ensure that at least one electronic auction platform is established within their territory, guaranteeing access to both natural and legal persons resident or registered in any MS. They must also bear the cost of interconnecting their systems with the European e-Justice Portal, as well as the costs of administration, operation and maintenance of their systems.

[13] The time limit may be extended where additional time is required for the sale of the debtor’s business or assets or for the distribution of the proceeds of such sale.

Links of interest:

Commission presents proposal for EU Inc. - unlocking the full potential of the Single Market for Europe's entrepreneurs