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PROPOSAL

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Subject:	ANNEX 3/3 COMMISSION STAFF WORKING DOCUMENT IMPACT ASSESSMENT REPORT Accompanying the document Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on THE 28TH REGIME CORPORATE LEGAL FRAMEWORK - 'EU INC'

Delegations will find attached document SWD(2026) 321 annex.

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PART 3/3

COMMISSION STAFF WORKING DOCUMENT

IMPACT ASSESSMENT REPORT

Annexes

Accompanying the document

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} - {SEC(2026) 321 final} - {SWD(2026) 322 final}

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ANNEX 4: ANALYTICAL METHODS

1 Screening of impacts

1.1 Identification of impacts

All the impacts which could potentially be associated with the policy options analysed in this Impact Assessment were identified. This was done on the basis of the "Overview of key impacts" set out in the 'Better Regulation Toolbox' Tool #18, taking into account the evidence gathered during consultation activities with stakeholders, through literature review and on expert assessment.

The positive and negative, direct and indirect, intended and unintended, and short- and long-term impacts were considered. Table 1 shows the impacts considered for further analysis based on their relevance for the planned initiative.

Table 1. 'Long list' of impacts

Impact type	Long list of impacts drawing on Commission IA guidelines	Specific direct impacts considered
Economic Impacts	• Conduct of business • Position of SMEs • Administrative burdens on business • Sectoral competitiveness, trade, and investment flows • Functioning of the internal market and competition • Public authorities (and budgets) • Education and training systems	• Conduct of business • Position of SMEs • Administrative burdens on business • Sectoral competitiveness, trade, and investment flows • Functioning of the internal market and competition • Public authorities (and budgets)
Social Impacts	• Working conditions, job standards and quality • Public health & safety and health systems • Culture • Governance, participation, and good administration	• Governance, participation, and good administration
Environmental impacts	• Climate • Quality of natural resources (water, soil, air etc.) • Biodiversity, including flora, fauna, ecosystems, and landscapes • Animal welfare	• Environmental impacts
Economic and Social impacts	• Education and training, education, and training systems	

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	• Employment • Income distribution, social protection, and social inclusion (of particular groups) • Technological development / digital economy • Consumers and households • Capital movements; financial markets; stability of the euro • Property rights; intellectual property rights	• Employment • Technological development / digital economy • Capital movements; financial markets; stability of the euro
Economic and Environmental impacts	• Sustainable consumption and production • Efficient use of resources (renewable & non-renewable) • Land use • The likelihood or scale of environmental risks	n/a
Overarching Impacts	• Territorial impacts (specific (types of) regions and sectors) • Innovation (productivity and resource efficiency); research (academic and industrial) • Fraud, crime, terrorism, and security, including hybrid threats • Resilience, technological sovereignty, open strategic autonomy, security of supply • Transport and the use of energy • Food safety, food security and nutrition • Waste production, generation, and recycling • Third countries, developing countries, and international relations • Sustainable development • Fundamental rights	• Innovation (productivity and resource efficiency); research (academic and industrial) • Fraud, crime, terrorism, and security, including hybrid threats • Fundamental rights

1.2 Screening of impacts

When analysing the significance of impacts for different stakeholders for the policy options covered by this IA, the following issues were taken into account:

- The expected magnitude – taking into account what would be the likely scale of impacts (i.e., the extent of expected costs and benefits), the number of companies affected, the extent of change expected;
- The likelihood – taking into account how likely it is for the positive and negative impacts to occur, and prioritising those for which there is robust evidence;
- The relevance to stakeholders – taking into account views provided by relevant stakeholder groups during consultation activities; and
- The link to Commission objectives - i.e., the extent to which each impact is aligned with the objectives of the initiative (to include all impacts that directly link to the objectives).

The assessment takes into account the views of stakeholders gathered through extensive consultation activities (public consultation, workshops with companies, targeted consultations with Member State company law experts, business associations and other stakeholders, including through the High Level Forum on justice for growth) as well as evidence collected through desk research. The result of the assessment, i.e., the final/ screened list of impacts to be investigated further, is provided in Table 2.

Some of the screened impacts are strongly interlinked and therefore, are covered jointly as it would be impossible to separately assess their impact.

Table 2 presents the expected magnitude, likelihood and relevance for stakeholders for all potentially relevant impacts, with additional explanation and marks which of those impacts were retained for detailed analysis.

Table 2. Significance of impacts for all the policy options under consideration

Key: '•' low; '••' moderate; '•••' high

Impact type	Expected magnitude	Likelihood	Relevance for stakeholders	Link with the objectives (✓)	Comment	Retained (✓)
Economic impacts						
Conduct of business / Ease of doing business	•••	•••	•••	☑	The initiative is expected to affect how companies conduct cross-border business by shaping the clarity, transparency and predictability of the legal framework under which they are set-up and operate in the EU. The availability of a single, coherent corporate legal framework can reduce the need for country-specific legal interpretation, lower perceived regulatory risk and simplify companies' interaction with different national legal systems. These effects influence firms' ability to enter cross-border markets, scale their operations across Member States and, where relevant, adapt or exit business activities. While companies may face some initial familiarisation or adjustment efforts when operating under the 28th regime legal framework, longer-term efficiency gains are expected through clearer legal pathways and reduced complexity for businesses active in more than one Member State. These effects are particularly relevant for companies with limited legal and administrative capacity, notably SMEs, for which complexity and uncertainty constitute proportionally higher barriers to cross-border activity. These conduct-of-business effects are closely linked to broader changes in the usability of the regulatory framework and are therefore best assessed as part of the priority impact **"Ease of doing business"**, which captures how the initiative affects firms' practical ability and willingness to operate in the Single	☑

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Impact type	Expected magnitude	Likelihood	Relevance for stakeholders	Link with the objectives (✓)	Comment	Retained (✓)
					Market. The impact is therefore retained but not assessed as a standalone impact.	
Position of SMEs	●●	●●	●●●	☑	This initiative is expected to have differentiated effects across companies depending on their size, in particular aiming to make it easier for SMEs and startups, which typically face higher relative legal, administrative and compliance constraints when setting up, operating or scaling across borders. Measures aimed at increasing clarity, predictability and coherence of the legal framework are therefore likely to affect SMEs more strongly, as these firms often lack in-house legal and compliance capacity and are more sensitive to regulatory complexity and uncertainty. The initiative is expected to reduce barriers to cross-border activity for SMEs by simplifying the legal environment in which they operate, lowering relative entry and transaction costs, and facilitating cross-border scaling and restructuring. These effects may enhance SME competitiveness and expand opportunities for growth across the Single Market. At the same time, potential challenges related to familiarisation with the new framework or to digital and legal approach in adopting the regime need to be considered to ensure proportionality. SME-related effects are therefore assessed as an integral, cross-cutting dimension of the analysis rather than as a separate impact category. They are explicitly addressed within the relevant priority impacts, notably Ease of doing business, Administrative burden and adjustment costs, and Ease of attracting investment, which capture the main channels	☑

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Impact type	Expected magnitude	Likelihood	Relevance for stakeholders	Link with the objectives (✓)	Comment	Retained (✓)
					through which the position of SMEs is affected. As changes in the position of SMEs result from these impacts rather than constituting an independent transmission channel, the impact is retained through clustering and not assessed as a standalone impact.	
Administrative burdens on business	●●	●●	●●●	☑	The 28th regime corporate proposal is expected to generate direct compliance effects for businesses and is therefore retained as a separate impact type. The initiative may reduce administrative burdens over time through common rules and more streamlined and digital procedures related to company registration, operation, closure and attracting investment. In particular, the use of harmonised templates and digital processes has the potential to reduce repetitive information obligations and simplify interactions with public authorities, including through the application of the once-only principle, and also with investors. At the same time, the initiative is expected to entail **adjustment costs**, notably one-off costs linked to familiarisation with the new framework, adaptation of internal processes, and potential changes to reporting or documentation practices, especially during the initial implementation phase. These adjustment costs are relevant for assessing proportionality and may affect firms differently depending on their size and administrative capacity. Assessing administrative burden together with adjustment costs allows for a balanced assessment of both short-term compliance efforts and longer-term efficiency gains, in line	☑

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Impact type	Expected magnitude	Likelihood	Relevance for stakeholders	Link with the objectives (✓)	Comment	Retained (✓)
					with the Better Regulation Toolbox. Behavioural or strategic business decisions are excluded from this impact and addressed under other impacts. The impact is therefore retained as a standalone priority impact to ensure transparency regarding direct compliance costs and to avoid overlap with broader usability effects captured under Ease of doing business.	
Sectoral competitiveness, trade, and investment flows /Ease of attracting investment	•	•	•		This initiative is expected to affect the competitive conditions under which companies operate across the Single Market by reducing legal fragmentation and lowering barriers to cross-border establishment and expansion. By offering a single, coherent legal framework, the initiative may facilitate company creation, cross-border scaling and restructuring, particularly for companies active in innovative or internationally oriented sectors for which regulatory complexity currently represents a constraint. The initiative is not expected to directly influence aggregate trade volumes or macro-economic investment flows. Instead, its effects are expected to materialise through improvements in the business environment, notably increased legal clarity, predictability and reduced need for country-specific adaptations. These changes may enhance companies' competitive positioning and make the EU a more attractive location for entrepreneurial activity and firm growth, including by strengthening incentives for companies to establish and scale operations within the EU rather than outside it.	☑

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Impact type	Expected magnitude	Likelihood	Relevance for stakeholders	Link with the objectives (✓)	Comment	Retained (✓)
					Effects related to companies' ability to attract investors and support cross-border growth strategies are addressed under the priority impact **Ease of attracting investment** (explained under the section on rationale for the selection and ordering of priority impacts below), focusing on firm-level incentives and perceived regulatory risk rather than capital availability. Structural effects linked to reduced regulatory fragmentation and improved cross-border market access are addressed under **Functioning of the internal market and competitiveness**, capturing system-level integration outcomes rather than company-specific usability or cost effects. As these competitiveness-related effects are closely interlinked with broader changes in the usability of the regulatory framework and with internal market integration, they are not assessed as a standalone impact. Instead, they are retained through clustering under the relevant priority impacts, ensuring a proportionate and analytically coherent assessment while avoiding speculative macro-economic analysis.	
Public authorities (and budgets)	●●	●●	●●●	☑	This impact type is retained because the implementation of the 28th regime corporate proposal will have administrative and budgetary implications for public authorities. These implications may affect business registers in particular, but also other national authorities involved in company formation, operation or closure, such as for example tax and social security authorities or beneficial ownership registers. The corporate framework may generate efficiency gains for public authorities through increased digitalisation and the	☑

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Impact type	Expected magnitude	Likelihood	Relevance for stakeholders	Link with the objectives (✓)	Comment	Retained (✓)
					application of the once-only principle, notably by facilitating the transmission of information between business registers, tax and social security authorities and beneficial ownership registers. Over time, this may reduce duplication of administrative tasks and lower operational costs. At the same time, the initiative may entail short-term adjustment costs for public authorities, including the adaptation of IT systems, ensuring interoperability between national registers and other administrative systems, staff training, and the management of a potentially increased volume of company registrations or related procedures. Where deadlines or performance obligations are introduced, this may require additional resources or organisational changes in some administrations. In addition, the initiative may have distributional effects on some public authorities and on legal professionals involved in company law procedures at national level, including potential changes in fee-based revenues resulting from more digital and streamlined registration processes. The impact is therefore retained in order to assess both potential cost savings and additional administrative and adjustment costs for public authorities. These considerations link directly to: • SDG 10 on reducing inequality within and among countries – by improving administrative capacity to	

Impact type	Expected magnitude	Likelihood	Relevance for stakeholders	Link with the objectives (✓)	Comment	Retained (✓)
					deliver equal access to market entry and reducing regulatory disparities across Member States. • SDG 17 on partnership for the goals – by strengthening public institutions and digital cooperation frameworks across borders, supporting better governance in the internal market.	
Social Impacts						
Governance, participation, and good administration	●●	●●	●●		The 28th regime corporate proposal promotes digital-by-default and eGovernment principles, notably through the use of digital-only procedures and the application of the once-only principle. These elements may contribute to more transparent, standardised and coordinated public administration, including improved information flows and administrative cooperation between authorities. However, this impact type is not retained as a standalone impact, as the core effects identified under this category are already addressed more appropriately and in sufficient detail under other impact areas. In particular, effects related to administrative organisation, coordination, digitalisation and resource implications for authorities are covered under **Public authorities – costs**, while effects related to simplification, compliance effort and interaction with public administrations are addressed under Administrative burden and adjustment costs for businesses and Ease of doing business. Assessing governance and good-administration aspects within these related impacts avoids duplication and ensures a proportionate analysis focused on the main transmission	

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Impact type	Expected magnitude	Likelihood	Relevance for stakeholders	Link with the objectives (✓)	Comment	Retained (✓)
					channels of the initiative. Relevant horizontal objectives, including contributions to Sustainable Development Goals such as SDG 16 (effective, accountable and transparent institutions) and SDG 17 (institutional cooperation), remain acknowledged in the overall assessment where appropriate.	
Environmental Impacts	•	•	•		This initiative could result in some positive environmental impacts as it introduces digital-only procedures for 28th regime companies and an increased use of digital tools between business registers and other authorities through the application of once-only principle. This would e.g. result in smaller use of paper in company law procedures for 28th regime companies. The expected magnitude of this impact would be small and therefore, this impact is not retained.	
Economic and social impacts						
Employment	••	••	••		The objective of the 28th regime is to make it easier to do business in Europe and to make it easier to attract finance, therefore one can expect that the number of companies and the level of finance in Europe will go up with a successful 28th regime. This will automatically lead to more employment, more growth, more productivity. All of these are indirect consequences that stem from the ease of doing business and the ease of attracting investment. However, to avoid double counting these impacts are mentioned but not included in the analysis.	

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Impact type	Expected magnitude	Likelihood	Relevance for stakeholders	Link with the objectives (✓)	Comment	Retained (✓)
Consumers and households		•	•		This impact type was not retained, as the 28th regime corporate proposal is not expected to have direct or material effects on consumers or households in terms of consumer protection, rights, or welfare. The initiative primarily targets company law and business operations, focusing on how companies are created, financed, and operate across borders. Any potential effects on consumers — such as increased trust or transparency when dealing with companies under the 28th regime — are indirect and marginal, and do not justify a separate assessment. Consumer-related aspects are already sufficiently covered through existing EU consumer protection legislation and are not altered by the introduction of an optional corporate legal form. Retaining this impact type would therefore risk overstating downstream effects and duplicating considerations addressed elsewhere. Relevant links to SDG 12 (responsible consumption) and SDG 17 (institutional cooperation) remain acknowledged at a general level but are not materially affected by the initiative.	
Technological development / digital economy	••	••	•••		This initiative introduces "digital-only" rules and procedures throughout the lifecycle of the 28th regime companies, including for setting up, for attracting capital (e.g. adjusting capital), for closing a company. It also introduces once-only transmission of information between authorities (business registers, tax and social security authorities, beneficial ownership registers) for setting up and also once-only transmission in case of closure of 28th regime companies. This initiative also aims to reduce burdens and costs on companies	

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Impact type	Expected magnitude	Likelihood	Relevance for stakeholders	Link with the objectives (✓)	Comment	Retained (✓)
					through the use of digital tools and application of the once-only principle. This impact is not retained as a separate category, since the expected improvements in digital public administration are already covered under the impact types related to administrative burdens on business and costs for public authorities.	
Capital movements; financial markets; stability of the euro	•	•	•		The 28th regime corporate proposal is not expected to have a material or systemic effect on capital movements, the functioning of financial markets or the stability of the euro. The initiative does not target monetary policy, financial market regulation or euro area stability mechanisms and therefore does not directly influence macro-level capital flows or financial stability conditions. Nevertheless, the initiative may affect companies' ability to attract investors at micro level, notably through increased legal clarity, simplified corporate procedures and reduced regulatory fragmentation. These effects concern company-level investment attractiveness and cross-border growth incentives rather than financial market functioning as such. For this reason, the impact type is not retained as a standalone impact in the assessment of capital movements or financial markets. Instead, the relevant effects are retained through clustering under the priority impact "Ease of attracting investment", which captures how the 28th regime may influence companies' attractiveness to investors and support investment-related decisions.	

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Impact type	Expected magnitude	Likelihood	Relevance for stakeholders	Link with the objectives (✓)	Comment	Retained (✓)
Overarching impacts						
Fraud, crime, terrorism, and security, including hybrid threats	•	•	•		This impact type is not retained because the initiative's principal objective is not to address abuse or fraud. While the introduction of once-only information transmission (e.g. between business registers and beneficial ownership registers) may support those authorities in enforcing anti-money laundering rules, these effects are indirect and already covered under other retained impact types — such as "ease of doing business" or "administrative burdens on business." The initiative will aim to ensure that the new legal form of 28th regime companies could not be used for abusive or fraudulent purposes, but it is not expected to have a standalone or significant effect on the prevention of fraud, crime, or hybrid threats.	
Innovation productivity and resource efficiency); research (academic and industrial)	•	••	••		This impact type is not retained because the 28th Regime does not introduce direct measures aimed at boosting research, industrial R&D, or resource efficiency. While the regime may indirectly support innovation and productivity — for example, by responding to the needs of in particular innovative companies and facilitating their creation, Employee Stock Option Plans and cross-border scaling — these effects are already captured under retained impact types such as "ease of doing business" and "internal market and competitiveness." The regime does not specifically target system-level innovation frameworks, public-private research collaboration, or measures that would influence academic or industrial R&D performance. As such, the broader impacts on innovation ecosystems are too indirect and diffuse to justify retaining this category separately.	

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Impact type	Expected magnitude	Likelihood	Relevance for stakeholders	Link with the objectives (✓)	Comment	Retained (✓)
Fundamental rights	•	•	•		The initiative will facilitate the implementation of the rights of establishment in any MS, as prescribed by Article 15(2) of the Charter. It should have a positive impact on the freedom to conduct business set out in Article 16 of the Charter as it will make it easier for companies to set up and operate in the Single Market, and should decrease costs for companies. However, these impacts are assessed under the Functioning Internal Market and in particular under "ease of doing business". In addition, the measures proposed need to respect the protection of personal data in line with Article 8 of the Charter. However, this initiative does not have an impact on fundamental rights as such. Therefore, this impact is not retained. SDG 1-8, 10, 16	
Functioning of the internal market	•••	•••	•••	☑	The 28th regime corporate proposal is expected to affect the functioning of the internal market by reducing legal and administrative fragmentation, facilitating cross-border establishment and operation of companies within the EU and making it easier for companies to attract investment cross-border. By offering a single, coherent corporate framework applicable across Member States, the initiative aims to lower barriers stemming from divergent national rules and to enable companies to operate and scaleup more easily in multiple jurisdictions without the need for extensive country-specific adaptations. These changes are expected to contribute to improved competitive conditions within the Single Market by supporting company creation, cross-border scaling and restructuring, and by enhancing the ability of EU companies to compete and	☑

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Impact type	Expected magnitude	Likelihood	Relevance for stakeholders	Link with the objectives (✓)	Comment	Retained (✓)
					attract finance across Member States. While many of these effects materialise through company-level usability, cost and investment channels, they also generate broader, system-level outcomes related to market integration and competitiveness. For this reason, the functioning of the internal market and competitiveness is retained as a priority impact in its own right. It captures aggregate and structural effects of the initiative that go beyond individual companies, consolidating outcomes arising from changes assessed under Ease of doing business, Administrative burden and adjustment costs, and Ease of attracting investment. Assessing this impact separately allows for a focused analysis of market-integration effects while avoiding duplication with company-specific impact categories. This impact also contributes to the achievement of the following Sustainable Development Goals (SDGs): • **SDG 10 –** by reducing structural disparities and improving SME access to cross-border markets; • **SDG 17 –** by fostering international cooperation and investment within the Single Market.	

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1.3 Rationale for the selection and ordering of priority impacts

In line with the Better Regulation Guidelines, a comprehensive long list of potential economic, social and environmental impacts was identified and subsequently screened and clustered to define a limited number of priority impacts. This prioritisation ensures a proportionate and policy-relevant assessment by focusing on impacts that are most directly linked to the problem definition, the intervention logic of the initiative and the expected behavioural responses of affected stakeholders. The selected impacts are expected to be significant, differentiating across policy options and analytically distinct, while avoiding overlap and double counting.

Small and medium-sized enterprises (SMEs) are not treated as a separate impact category. Instead, SME-related effects, including those related to startups in particular, are integrated across all priority impacts, reflecting the fact that SMEs are affected through the same transmission channels as other firms, albeit often more strongly due to their more limited legal, administrative and financial capacity.

The first priority impact, **ease of doing business**, assesses how the initiative affects the practical usability of the regulatory framework for companies in the Single Market. It focuses on clarity, transparency and predictability of the rules and on firms' ability to rely on a single, coherent legal framework across Member States. This impact is positioned first because it represents the primary interface between the initiative and economic operators and constitutes a necessary condition for behavioural change. Reduced legal complexity and lower perceived regulatory risk are expected to facilitate cross-border activity for all companies, with proportionally stronger effects for SMEs, for which legal uncertainty and complexity represent higher relative barriers.

The second priority impact, **administrative burden and adjustment costs (direct compliance costs)**, is assessed separately in line with the Commission's Better Regulation and burden-reduction objectives. While closely related to ease of doing business, this impact isolates the direct compliance costs generated by the initiative, including one-off adjustment costs (such as familiarisation with the new framework, any adaptations and internal changes needed for companies) and recurrent administrative costs linked to ongoing compliance management. Assessing administrative burden separately ensures transparency regarding cost drivers and enables a focused assessment of proportionality, including whether SMEs face relatively higher or lower burdens compared to larger companies and compared to the baseline. Strategic or behavioural business decisions are excluded to avoid overlap with other impacts.

The third priority impact, **ease of attracting investment**, examines how a more coherent and predictable legal framework affects firms' ability to attract investors and support cross-border growth strategies. This impact does not assess access to bank finance or overall capital availability, nor does it measure macro-economic investment levels. Instead, it focuses on whether reduced legal uncertainty and greater regulatory predictability under the 28th regime corporate legal framework improve companies' attractiveness to investors, thereby influencing firm-level expansion, scaling or consolidation decisions. SME-specific effects are considered within this impact, as smaller companies, and in particular startups, are typically more sensitive to regulatory risk when seeking external investors and yet in greater need of financing to be able to scale up.

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The fourth priority impact, **public authorities**, examines the administrative and organisational implications of the initiative for EU and national authorities. It covers implementation arrangements, coordination needs, as well as associated resource and capacity implications. Judicial systems and enforcement impacts are excluded to ensure proportionality. This impact is positioned after firm-facing impacts, reflecting the enabling role of public authorities in supporting the functioning of the 28th corporate legal framework.

Finally, **functioning of the internal market and competitiveness** captures the structural, system-level effects of the 28th regime corporate legal framework. It focuses on reductions in regulatory fragmentation and improved cross-border market access resulting from the availability of a common legal framework. This impact reflects aggregate market-integration outcomes arising from changes in companies' behaviour and investment decisions, including those of SMEs, and is therefore placed last, as it represents an outcome rather than a direct transmission channel.

The assessment below focuses on the causal impacts of the initiative on regulatory usability, compliance costs, investment conditions, public administration and market integration. Behavioural and outcome-level effects, such as changes in firms' decisions to engage in cross-border activity, to attract external investment or to scale up operations, are therefore analysed explicitly within the relevant impact categories rather than treated as standalone impacts. This approach ensures consistency with the intervention logic, avoids double counting, and reflects that such outcomes result from changes in the underlying regulatory conditions rather than constituting independent impact channels.

The table below sets out the impacts that were selected, the stakeholder group(s) affected and the general approach that will be used to assess them. It is important to highlight that the impacts of the measures might differ between stakeholders. This is highlighted when relevant.

Table 3. Selected significant impacts

Main category of impacts	Assessment					
	Society	Companies	Investors (including employee with employee stock options)	Public administrations and notaries (EU, national)	Qualitative	Quantitative
Ease of doing business (benefit)		●			●	
Ease of attracting investment (benefit)		●	●		●	
Administrative burden reduction (benefit)		●	●		●	partial
Administrative and adjustment costs (cost)		●	●		●	
Benefits for public authorities				●	●	
Costs for public authorities				●	●	partial

Main category of impacts	Assessment					
	Society	Companies	Investors (including employee with employee stock options)	Public administrations and notaries (EU, national)	Qualitative	Quantitative
Functioning of the internal market and competitiveness (benefit)	●	●	●	●	●	

2. ASSESSING THE POLICY OPTIONS

This section includes an assessment of every policy option in comparison to Policy Option 0 (the baseline). Each policy option is evaluated on its **effectiveness (section 1), efficiency (section 2) and coherence (section 3)**.

2.1. METHODOLOGICAL APPROACH

2.1.1 General methodological approach

The assessment of the policy options is based on a mixed methods approach in which the effectiveness, efficiency and coherence of the policy options are graded on a scoring system that comprises qualitative, quantitative and monetary data. The data employed for this analysis stems from various sources (the open public consultation, literature, previous impact assessments on related topics, workshops with companies as well as the expert opinion of the team drafting the impact assessment).

It is clear from Table 3 that the various impacts of the policy options cover both tangible (e.g. administrative burden, costs for authorities) and intangible impacts (e.g. competitiveness or functioning of the internal market); the latter require a different methodological approach for the assessment. The tangible costs are monetised either by employing the Standard Cost Model (Tool #58) or by cost comparison of the baseline. Furthermore, many impacts are also scored by the views from stakeholders (from the public consultation or the workshops) or by expert opinion on their magnitude of impact (see scoring system below) to have a comparative qualitative analysis as well. It was decided that for the purpose of this impact assessment it would not be relevant to monetise the intangible impacts through stated preference experiments (due to limited rationale, difficulty of choosing a payment vehicle and increased difficulty for the stakeholders) or through revealed preference (due to a lack of a comparable market of public information), but that it was more appropriate to apply a qualitative approach based on a straightforward scoring system. Some of the costs relate to direct impacts, whose magnitude can be assessed relatively easy, whereas other costs are (more) indirect and less likely to occur.

As mentioned above, the assessment of the policy options draws on a mixed-methods approach combining quantitative evidence, qualitative analysis and expert judgement. In particular, the quantitative assessment relies on Member States data on the number of private limited liability companies (LLCs) registered over the past three years, as well as observed and projected growth rates over this period. In those Member States where

a simplified legal form for limited liability companies exists (e.g. France), those numbers and their growth rate were also considered. These data were used to establish a dynamic baseline and to estimate the population of companies potentially affected under each policy option (Annex 8).

In estimating costs and benefits, the analysis systematically applied conservative assumptions. Cost savings for companies and efficiency gains were calculated using lower-bound estimates, while potential benefits were capped where uncertainty existed, in order to avoid any overestimation. Similarly, where data were incomplete or heterogeneous, cautious extrapolations were made on the basis of available evidence, ensuring that assumptions remained prudent and transparent.

This conservative approach was applied consistently across the assessment, with the aim of ensuring that the estimated impacts represent a lower-end estimate of the likely effects of the policy options. As a result, the quantified cost savings with the standard cost model should be interpreted as indicative and robust, rather than optimistic, while providing a credible basis for comparing the relative performance of the policy options against the baseline.

The scoring system applied in this Impact Assessment is straightforward and easy to comprehend.

2.1.2. Scoring approach

As outlined above, the combination of quantitative, monetary and qualitative assessment was adopted in this study. Some of the more intangible impacts were scored by the available evidence gathered from stakeholders, literature, previous impact assessment and/or the expert assessment of the unit drafting the Impact Assessment. For reasons of clarity, all the available evidence is translated into a straightforward scoring system to have comparable scores between policy options as well as between various impacts.

The scores range from 0 to 5 for all three pillars of the evaluation (effectiveness, efficiency and coherence).

Effectiveness:

The scoring system assessed to what extent the objective (or a specific part of the objective) is realised by the policy option at hand.

5 – The option makes a **very strong contribution** to achieving the objective

4 – The option makes a **strong contribution** to achieving the objective

3 – The option makes a **moderate contribution** to achieving the objective

2 – The option makes a **limited contribution** to achieving the objective

1 – The option makes a **very limited contribution** to achieving the objective

0 – The option does **not contribute** to achieving the objective compared to the baseline

Efficiency:

The scoring system is similar for costs and benefits, meaning that for costs it is an increase compared to the baseline and for benefits it is an increase compared to the baseline as well.

5 means there is a **very large increase** in costs/benefits

4 means there is a **large increase** in costs/benefits

3 means there is a **moderate increase** in costs/benefits

2 means there is a **small increase** in costs/benefits

1 means there is a **very small** in costs/benefits

0 means that there is **no change** compared to the baseline.

Note 1: For the impacts for which there is monetized information, these impacts are also translated into scores to assess the overall efficiency.

Note 2: the scores should be interpreted compared to the baseline. The scores should at this stage not be assessed compared over various impacts. For instance, a score of 3 on administrative burden could reflect a larger impact than a score of 3 for adjustment costs. This relative comparison will be tackled in the Multi-criteria analysis (MCA) (see below under section 2.5).

Coherence:

The scoring system assessed to what extent the policy option at hand improves internal and external coherence.

5 means the coherence is improved to a **very large extent**;

4 means the coherence is improved to a **large extent**;

3 means the coherence is improved to a **moderate extent**;

2 means the coherence is improved to a **small extent**;

1 means the coherence is improved to a **very small extent**;

0 means that there is **no change** compared to the baseline.

2.2. Effectiveness of the policy options

In this section, the options are analysed in order to assess to what extent they will achieve the policy objectives of the initiative; some options are analysed against all three objectives and some – against the two relevant objectives. For instance, policy options 2 about setting up 28th regime companies are not analysed against the objective on an enabling framework to invest as they do not provide any relevant measures.

Table 1: Effectiveness of policy options 1 to provide a harmonised company legal form for entrepreneurs

- Policy option 1a - Introduce a new harmonised legal form for a 28th regime company with a recognisable EU brand, to be set up by natural persons as founders.
- Policy option 1b - Option 1a + to be set up also by legal persons (28th regime subsidiaries), with a possibility for existing companies to convert through domestic conversions, and with harmonised rules for setting up branches of 28th regime companies.

- Policy option 1c - Option 1b + a possibility for existing companies to create a 28th regime company through a cross-border conversion, division or merger in accordance with Directive 2019/2121.

These policy options would address the following driver: different national company legal forms and absence of a distinct EU brand for startups.

	PO1a	PO1b	PO1c	Motivation
Specific objective 1: Provide a common corporate legal framework for companies, in particular startups and scaleups in the EU	2	3	4	The consultation activities (the public consultation, the workshops, the High Level Forum, meetings with stakeholders as well as stakeholder driven initiatives such as the petition and subsequent blueprint by EUInc) showed strong calls and support for common rules including a harmonised legal form for startups and scaleups. While all options would provide a common legal form for 28th regime companies with a recognisable brand, PO1b and PO1c would make it available for potential startup founders (natural persons) and also for legal persons (thus benefitting also groups, whose parent companies could be founders of 28th regime companies). In the public consultation, 85% of respondents replied that both entrepreneurs and groups of companies (both natural and legal persons) should be able to set up a 28th regime company. Option 1b would in addition make it possible to create a 28th regime company through domestic conversion, while the PO2c would in addition provide that a 28th regime company could be formed through cross-border mergers, divisions or conversions. A creation of the 28th regime company through a conversion was supported by over 80% of respondents to the public consultation.

Table 2: Effectiveness of policy options 2 to make registration of companies, in particular startups quicker and simpler

- Policy option 2a - Create an EU single interface based on BRIS for the registration of 28th regime companies with harmonised bilingual templates (EN/national language) and preventive administrative, judicial or notarial control.
- Policy Option 2b: Option 2a + introduce a deadline (48 hours) and cost ceiling of EUR 100 to complete the registration including the preventive administrative, judicial or notarial control when the standardised template is used by founders as natural persons.
- Policy option 2c - As option 2b but with preventive control by judicial or administrative authorities (excluding notaries) when the standardized template is used by founders as natural persons.

These policy options would address the following drivers:

- Different national company legal forms and lack of an EU brand for startups, and
- insufficient availability of digital tools and procedures during company set-up.

	PO2a	PO2b	PO2c	Motivation
Specific Objective 1: Provide a common corporate legal framework for companies, in particular startups and scaleups in the EU	2	3	3	While the common rules would be in principle provided by the policy options 1 through a common legal form and also through policy options 5, 6 and 7 through specific common measures, the policy options 2 would complement those by providing a common EU system for registration of 28th regime companies. Calls for a single EU interface for registration of 28th regime companies were an important part of the overall call for common EU rules, both in replies, in particular, from companies and founders, to the consultation but also in calls from the startup community (e.g. in EU Inc proposal). PO2a would already be an important step towards a common framework, but PO2b would be more effective in meeting the objective by providing also harmonised deadline and price ceiling for the registration. Removing notarial involvement under PO2c would not change the overall effectiveness. The responsibility for preventive control would need to be taken over by other authorities in Member States and would thus impact Member States legal systems and traditions.
Specific Objective 2: Provide simple and efficient corporate rules and procedures throughout the company lifecycle	3	4	4	A strong majority of respondents to the consultation expressed a strong preference for fully digital processes without paper-based alternatives for 28th regime companies and in particular, a strong majority thought that a single access point/interface and harmonised registration form would contribute to either a very large or large extent to a fast and efficient setting up of 28th regime companies. Feedback from other sources confirmed this, e.g. companies participating in the workshop thought that having a single website to register 28th regime companies and a single template for registration and articles of association would help to reduce time spent and legal advice costs for companies. PO2a will already contribute to providing founders with simpler and more efficient procedures by allowing them to register 28th regime companies through one EU single

				interface and by using a harmonised template regardless in which Member State they want to set up a 28th regime company. However, PO2b will be more effective as an EU single interface with a standard template and harmonised deadline for registration of 28th regime company in the whole EU would reduce legal uncertainty and lead to faster planning and lower risk for potential founders. In addition, a cost ceiling for registration would mean a predictable and non-deterrent entry cost for founders. While PO2c would respond to feedback in the consultations about the role of notaries being one of the main factors slowing down the setting up process, it would not be more effective in meeting the objective given that the preventive control would need to be provided by other authorities instead of notaries. All the options integrate the preventive control into the streamlined registration process as preventive control is essential to prevent the creation of abusive or fraudulent companies (letter-box companies linked to tax evasion and/or money laundering) and also to reduce administrative formalities.

Table 3: Effectiveness of policy options 3 to ensure once-only submission of information in the context of registration

- Policy option 3a - In the context of the registration, ensure that the information about the company is transferred from the business register to the authority in charge of issuing the TIN and the VAT identification number, to social security authority and to the beneficial ownership register, with any beneficial ownership information as part of the template, without the 28th regime company needing to submit it again ("once-only principle").
- Policy option 3b - Option 3a + the 28th regime company would obtain the TIN from the relevant authority as part of the registration process, with any additional information needed to obtain the TIN as part of the template.
- Policy option 3c - Option 3b + the 28th regime company would obtain the VAT identification number from the relevant authority as part of the registration process (unless such authorities need to check more case specific information than what is included in the template).

These policy options would address the following drivers:

- Different national company legal forms and lack of an EU brand for startups; and
- lack of implementation of the "once-only principle" for company set-up.

	PO3a	PO3b	PO3c	Motivation

Specific Objective 1: Provide a common corporate legal framework for companies, in particular startups and scaleups in the EU	1	2	3	At the heart of the common rules is the common legal form with recognisable brand under policy options 1. However, other measures are needed to achieve the objective of having common corporate legal framework including procedural rules. In all the consultation activities, respondents highlighted the problem of lack of application of once-only principle in the context of registration. The common rules for the application of once-only principle under the policy options 3 will thus contribute to meet the objective 1, with policy option 3c providing the largest range of common procedures.
Specific Objective 2: Provide simple and efficient corporate rules and procedures throughout the company lifecycle	2	3	4	In particular, the public consultation showed that it was a problem in the context of setting up a company that companies needed to submit the same information to different authorities. The policy options 3, by ensuring that founders setting up 28th regime company would not need to separately submit information to tax and social security authorities and beneficial ownership registers in the context of registration will contribute to providing simpler and more efficient procedures. While policy option 3a will already provide the once-only principle transmission of information between the registers and the authority in charge of issuing the TIN and the VAT identification number, social security authorities and beneficial ownership registers, the options 3b and 3c will ensure that the 28th regime company will also obtain the tax identification number and VAT identification number (in the latter case, unless tax authorities need to check more case specific information) and are thus more effective in meeting the objective 2.

Table 4: Effectiveness of policy options 4 to facilitate closure (liquidation) of the company

- Policy option 4a – Ensure that all relevant filings by the liquidator for closure outside of insolvency are transferred from business register to other authorities ("once-only principle") and online filing of claims from creditors.
- Policy option 4b - Option 4a + simplified liquidation procedure (outside of insolvency) for no assets/no debts to be concluded within a specific deadline.
- Policy option 4c - Option 4b + simplification of insolvency procedures thanks to their full digitalisation

These policy options would address the following drivers:

- Different national company legal forms and lack of an EU brand for startups, and
- complex and paper-based procedures for closure

	PO4a	PO4b	PO4c	Motivation
Specific objective 1: Provide a common corporate legal framework for companies, in particular startups and scaleups in the EU	1	2	3	67% of the respondents to the consultation assessed the absence of a simplified/ harmonised procedure for winding-up of a company as a barrier to a large or very large extent and therefore, addressing this issue in the 28th regime corporate proposal is an important part towards providing a common framework for the 28th regime companies. Policy Option 4a would provide a first step by providing for online filing in the context of closure outside of insolvency, where such filing is required at national level, and once-only transmission of information, while policy option 4b would be even more effective by harmonising rules for a simplified liquidation outside of insolvency, where companies do not have any assets or debts. Policy Option 4c would be the most effective measure in terms of establishing a common framework as it would also address closure of 28th regime companies in case of insolvency and simplify the procedure through digital solutions. This would have the most impact out of the three policy options on removing fragmented national company law and insolvency rules and the related legal uncertainty for cross-border investors.
Specific Objective 2: Provide simple and efficient corporate rules and procedures throughout the company lifecycle	2	3	4	The consultation activities showed not being able to carry out all the steps for the closure of a company as regards the business register fully online and the necessity to notify several authorities separately as barriers to efficient closure of companies in the EU, e.g. 63% respondents to the consultation saw those as barriers to a large or very large extent, and companies participating in the workshop expected a reduction in costs in terms of time spent and costs of professional advice. While policy Option 4a would render the procedure more efficient through fully online filing to the liquidator and once-only transmission of information between authorities but would be limited to those procedural aspects, policy option 4b would

				be more effective by providing a simple, harmonised a procedure for closure of solvent companies, when those have no-assets and no-debts, and therefore, providing more legal certainty and allowing to close companies more quickly. Policy Option 4c would be most effective in terms of simplicity and efficiency as, in addition, it would also ensure full digitalisation of insolvency liquidation procedures, making it more efficient for companies, and would allowing an earlier re-allocation of resources from the insolvent enterprise to a more productive use outside the insolvent enterprise.

Table 5: Effectiveness of policy options 5 for attracting talent

- Policy option 5a - Possibility for 28th regime companies to set up employee stock ownership plans (ESOPs) and issue classes of shares with distinct voting rights.
- Policy option 5b - Option 5a + introduce an optional common employee stock ownership scheme for 28th regime companies, based on employee stock options and with common criteria (EU-ESO).
- Policy option 5c - Option 5b + provide harmonised timing for the taxation of employee stock options granted in the context of the EU-ESO.

These policy options would address the following drivers:

- Different national company legal forms and lack of an EU brand for startups, and
- lack of common rules for Employee Stock Ownership Plans.

	PO5a	PO5b	PO5c	Motivation
Specific Objective 1: Provide a common corporate legal framework for companies, in particular startups and scaleups in the EU	1	2	3	The consultation activities for this initiative and the European Innovation Act, including feedback from workshops with companies, bilateral interviews with companies, and other inputs such as the EU-INC petition and blueprint, showed a clear call from the startup community for common rules for ESOPs given their importance for attracting, incentivising and retaining talent by startups. Therefore, provisions on ESOPs would contribute importantly towards achieving an objective of a common framework for 28th regime companies. All policy options contribute to a common corporate legal framework. PO5a would enable all 28th regime companies to set up ESOPs, including schemes for non-voting shares, thus removing some of the existing restrictions in Member States. PO5b would provide for an optional EU-ESO for 28th

				regime companies that would serve as a scheme on the basis of which startups and scaleups could set up stock option-based ownership plans, and therefore, would be more effective than PO5a. PO5c would remove different timings of taxation for the common EU-ESO in Member States as a further incentive to choose this scheme; by harmonising also this taxation aspect, it would be most effective at achieving the objective.
Specific Objective 2: Provide simple and efficient corporate rules and procedures throughout the company lifecycle	1	3	4	PO5a would achieve the objective only to a small extent, as it would leave it to companies to make all relevant choices for setting up an ESOP within the legal limits and would not address taxation aspects. While PO5b would simplify procedures for startups and scaleups through the provision of the EU-ESO for 28th regime companies, it would also keep the status quo as regards taxation. PO5c would in addition set out a single, simple point in time for taxing the EU-ESO and would thus be the most effective in meeting the objective of simple and efficient rules.
Specific Objective 3: Ensure that corporate rules provide an enabling framework to invest	1	3	4	These policy options would be also relevant to achieve the objective of providing an enabling framework to invest as they would help companies demonstrate to investors that they can attract and retain talent through ESOPs and encourage employees to become shareholders/investors themselves. PO5a would enable 28th regime companies to set up ESOPs, removing some of the existing restrictions in Member States, but otherwise not further incentivise their uptake by employees. PO5b would be more effective as the EU-ESO would provide a common, stock option-based scheme across Member States that employees would be incentivised to use, albeit to a potentially lesser extent due to a timing of taxation that would be different between Member States or less favourable, leading to a 'dry tax charge' in some of them. PO5c is the most effective measure as the added harmonised timing of taxation of employee stock options creates the most attractive conditions for employees to make use of the EU-ESO and therefore become investors themselves, aligning their interests with the interests of other investors.

Table 6: Effectiveness of policy options 6 to provide a flexible governance and capital regime for founders and investors

- Policy option 6a - Create a flexible governance system, provide simple and fully digital procedures for increasing capital and issuing shares and enable the use of modern early-stage financing instruments like SAFEs.
- Policy option 6b - Option 6a + 0 or EUR 1 minimum capital but no paid-in share capital for incorporation of 28th regime companies and harmonised creditor protection safeguards in addition to capital maintenance rules.
- Policy option 6c - Option 6a + common minimum share capital of EUR 5 000 for incorporation of 28th regime companies with harmonised creditor protection safeguards based primarily on capital maintenance.

These policy options would address the following drivers:

- Different national company legal forms and lack of an EU brand for startups,
- divergent and non-digital national requirements related to capital increases,
- legal uncertainty regarding venture-capital driven clauses, and
- divergent minimum capital requirements.

	PO6a	PO6b	PO6c	Motivation
Specific Objective 1: Provide a common corporate legal framework for companies, in particular startups and scaleups in the EU	1	2	2	Measures on how companies are governed and how their capital is to be maintained constitute important part of any set of rules for companies and therefore, these policy options provide an important contribution towards an objective of creating a common corporate legal framework for 28th regime companies. PO6a is already effective by harmonising a comprehensive number of issues related to governance of 28th regime companies but also addressing a number of measures relevant for attracting investment. Options PO6b and PO6c are more effective than PO6a as they would also provide common rules as to the capital maintenance and creditor protection regime of 28th regime companies, both harmonising the important issue of minimum capital requirements. Although they provide for different solutions, they are considered equally effective in meeting the objective of common rules.
Specific Objective 2: Provide simple and efficient corporate rules and procedures throughout the company lifecycle	3	4	3	PO6a would simplify and make corporate rules more efficient by facilitating digital solutions for the governance of 28th regime companies, including by allowing for online shareholder and board of director meetings and fully online procedures. PO6b and PO6c would be more effective than PO6a as they would also address the capital regime, which is an important element of incorporation procedure. PO6b, by not

				requiring any minimum paid-in share capital for incorporation, would be more effective than PO6c with a minimum requirement of EUR 5 000. PO6b would make incorporation of 28th regime companies simpler and more efficient, also due to no need for bank verification and opening a bank account before company registration. There was clear support for no minimum capital requirements in the open public consultation, with 65% of respondents in favour of no or symbolic (e.g. EUR 1) minimum capital.
Specific Objective 3: Ensure that corporate rules provide an enabling framework to invest	3	4	3	PO6a would already have a significant effect on providing an enabling framework to invest in 28th regime companies as it addresses a number of measures relevant for attracting investment, including simple and digital procedures for increasing capital and issuing shares, simpler procedures to issue the TIN for foreign investors, thereby eliminating bureaucratic friction points that commonly stall growth and delay crucial financing rounds. 80% of the respondents to the open public consultation confirmed that enabling fully online capital increases of 28th regime companies, including online participation in general meetings and voting, would help reduce barriers to capital increases and other investments to a large or very large extent. This option would also, by enabling modern early-stage financing instruments like SAFEs, provide entrepreneurs with the flexible, globally recognised tools necessary to attract capital; the possibility for directors of 28th regime companies to negotiate and implement such agreements was strongly supported by respondents to the consultation (by 65%). PO6b would be more effective than PO6a and most effective overall as it would also address the capital regime of 28th regime companies through the abolition of a minimum paid-in share capital before incorporation, while harmonised creditor safeguards would ensure a robust balance. In particular, the requirement for directors to carry out a balance sheet test and solvency test before approving distributions to shareholders would ensure that distributions are only carried out where the company remains viable and able to satisfy creditor claims. Rules on directors' liability would ensure that these tests are actually carried out before each distribution, while a limitation of directors' liability to cases

				where the tests have not been performed or not been performed with sufficient care would avoid disincentivising directors from approving distributions in cases where the viability of the company is not at risk. While PO6c would also address the capital regime, it would provide a minimum paid-in share capital of EUR 5 000, that would hinder investment by locking up valuable seed capital.

Table 7: Effectiveness of policy options 7 to facilitate exit options

- Policy option 7a – Ensure that transfers of shares of 28th regime companies can be carried out fully digitally.
- Policy option 7b - Option 7a + no requirement to involve intermediaries in share transfers of 28th regime companies.
- Policy option 7c - Option 7b + possibility for Member States to grant access to public equity markets to 28th regime companies.

These policy options would address the following drivers:

- Different national company legal forms and lack of an EU brand for startups, and
- complex, uncertain or costly investor exit environment.

	PO7a	PO7b	PO7c	Motivation
Specific objective 1: Provide a common corporate legal framework for companies, in particular startups and scaleups in the EU	1	2	3	As obtaining funding through private investors or through public markets is a key mechanism for strengthening a company's financial position and facilitating the exit of existing investors, these policy options are important elements to create a common framework for 28th regime companies. All three options contribute to a more common corporate legal framework by reducing reliance on divergent national rules governing exits, particularly as regards share transfers. While policy option 7a would improve legal convergence by ensuring that share transfers of 28th regime companies can be carried out fully digitally across the EU, policy option 7b is more effective as it would remove any mandatory involvement of intermediaries, thereby harmonising further the rules on private share transfers for 28th regime companies. Policy option 7c is the most effective as it goes beyond private exits and also addresses exits via public equity markets but its effectiveness would be limited as it would allow Member States to integrate 28th regime companies into public equity markets without requiring

				a change of legal form, rather than providing common rules in this context.
Specific Objective 3: Ensure that corporate rules provide an enabling framework to invest	2	3	4	Based on the input received during the dedicated workshop on attracting investment as well as bilateral interviews with startups and scaleups, policy option 7a provides an important step towards improving the investment environment by enabling fully digital share transfers and thus, reducing delays and transaction costs for exits and secondary transactions, but policy option 7b would be more effective in making it easier for 28th regime companies to attract investment by also removing mandatory involvement of intermediaries in case of share transfers and thus, further reducing costs for investors. Policy option 7c is the most effective option, as in addition, it would aim to make it easier for 28th regime companies to attract financing through access to public equity markets without mandatory conversion, through encouraging Member States to allow such access.

2.3. Efficiency of the policy options

This section analyses the efficiency of the various policy options based on the mapping of the impacts. The text below details the approach followed for each of the impacts separately and tables below shows the overview of the scoring for the efficiency criterion.

In the absence of historical or predictive data on the take-up of a new EU-level corporate legal form designed for startups and scaleups, the estimates on the expected number of 28th regime companies are based on a **scenario-based and conservative analytical approach**, in line with the Better Regulation Toolbox.

The take-up assumptions are intended to establish a plausible and proportionate analytical scenario which allows for comparative assessment of the policy options. The assumptions were derived by triangulating several sources of evidence and considerations, including: (i) the observed annual number of newly created private limited liability companies in the EU, which represent the legal form most commonly used by startups; (ii) qualitative evidence from the public consultation, targeted workshops and stakeholder initiatives indicating interest in an optional EU-level company form; and (iii) expert judgement on likely behavioural responses to an optional and non-mandatory legal framework.

In addition, as a response to the needs of startups and to promote their growth, some Member States have undertaken reforms of their legal forms to allow greater flexibility or introduced new simplified legal forms. Therefore, the uptake of simplified national legal forms in France, Germany and Greece was also specifically looked at. While the take-up of simplified legal forms in the specific Member States showed a significantly higher growth rate compared to the overall net-growth of private limited liability companies in the respective Member States, the figures also showed that growth rates for these forms have been very different between MS, making them unreliable for

predicting the uptake of an EU-wide harmonised legal form. In addition, the number of companies with the simplified form is included in the overall number of private limited companies and in some other Member States, there are no specific simplified legal forms, but the legal form for private limited liability companies has been modernised (e.g. Finland). Therefore, the reference point for the estimated up-take of 28th regime companies is the annual net-growth of all private limited liability companies in the EU.

The starting point is the total number of private limited liability companies (LLCs) in the EU in 2022 and 2025, based on reliable business register data from the Business Registers Interconnection System (BRIS). Between 2022 and 2025, the average net growth of LLCs in the EU was approximately 668 000 companies per year. The estimated take-up of the 28th regime legal form is based on two assumptions: that the average net growth of LLCs remains stable over the next 10 years and that the share of new 28th regime companies (the take-up) will be very low in the beginning and gradually increase over time: from 0.25% of new LLCs in year 1 to 10% of new LLCs in year 10. The assumed take-up rate reflects the optional nature of the 28th regime and gradual adoption over time as awareness about this new legal form increases and the benefits of a common corporate legal framework become more widely recognised. Lower initial uptake is assumed in the early years due to learning effects and path dependency, followed by a progressive increase as legal certainty improves and the regime is expected to gain credibility among founders, investors and intermediaries.

The following take-up rates refer to the share of new 28th regime companies. This average annual net increase is used as a simplifying assumption for the purpose of estimating potential uptake, in line with the proportionality principle and in the absence of evidence suggesting a structural break in company formation trends over the assessment horizon. The cumulative total number of newly formed 28th regime companies over a period of 10 years is estimated at 300,000 (308,843).

Year	**Take-up rate 28th regime legal form (out of 668,000 private LLCs created each year)**	**New 28th regime companies**
1	0.25%	1,669
2	1.00%	6,678
3	2.00%	13,355
4	3.00%	20,033
5	4.00%	26,711
6	5.00%	33,388
7	6.00%	40,066
8	7.00%	46,744
9	8.00%	53,421
10	10.00%	66,777
Cumulative total		308,843

Given the voluntary nature of the 28th regime and taking into account the persistence of national legal forms, the analysis assumes a **limited and gradual take-up**, expressed as a small share of newly created private limited liability companies. The assumed take-up rate is deliberately conservative and reflects the expectation that only a subset of founders and companies with cross-border ambitions or specific needs would opt for the new legal form, particularly in the initial years following implementation.

The distinction between natural and legal persons as founders is based on feedback from consultation activities, which indicated that startups and early-stage companies are predominantly founded by natural persons, while a smaller share of 28th regime companies is expected to be created by existing companies establishing subsidiaries or reorganising their corporate structure. Similarly, assumptions on domestic conversions of existing companies are kept deliberately low, reflecting both the inertia associated with changing legal form and the fact that conversion would only be attractive to a limited subset of companies for which the benefits outweigh the transition costs.

For cross-border mergers, divisions and conversions, take-up is assumed to be marginal. This reflects the complexity, duration and cost of such procedures under the existing EU framework, as well as qualitative evidence from stakeholders that these instruments are generally not suited to the needs of startups seeking a quick and cost-efficient set-up, albeit attractive to a small group of scaleups who might wish to opt into the 28th regime at a more mature stage.

Overall, the assumptions are designed to represent a **lower-end estimate of potential take-up**, ensuring that the resulting efficiency and impact calculations do not overstate the benefits of the policy options. Sensitivity to higher take-up scenarios is discussed qualitatively, but no alternative quantitative scenarios are developed, as the available evidence does not allow for a robust differentiation. This approach is consistent with the principle of proportionality and with Better Regulation guidance for situations characterised by high uncertainty and limited data availability.

Across the policy options assessed, the analysis indicates that **the expected benefits primarily take the form of cost savings for companies and, to a lesser extent, efficiency gains for public authorities**, while **the introduction of new additional costs is limited and largely one-off in nature**. In particular, most options build on existing digital infrastructures, procedural frameworks and administrative capacities, and do not introduce recurring compliance obligations for companies beyond those already required under national company law.

As a result, for the policy options retained for assessment, the analysis consistently points towards a **positive net benefit at the level of the individual company**, as the reduction in administrative burden and transaction costs outweighs any additional adjustment or transition costs associated with the use of the 28th regime. This conclusion is robust across options and does not depend on high take-up assumptions.

However, while the direction of the net impact is positive irrespective of uptake**,** the magnitude of the aggregate net benefits at EU level is directly linked to the actual take-up of the 28th regime. Higher uptake would translate into proportionally larger cumulative cost savings and efficiency gains, whereas lower uptake would reduce the overall magnitude of benefits without reversing their positive sign. For this reason, take-up assumptions are used in the analysis as a scaling parameter rather than as a determinant of whether the policy options generate net benefits.

This approach is consistent with the Better Regulation Toolbox, which recognises that, in cases of optional legal instruments and limited ex ante data, it may be more robust to focus on the sign and relative size of impacts rather than on precise point estimates. Accordingly, the efficiency assessment emphasises the comparative performance of the policy options under conservative uptake assumptions, while avoiding overreliance on speculative projections of future behaviour.

2.3.1 Methodology of the efficiency scoring

For the efficiency scoring, the standard cost model (see Tool #58) is used for assessing the administrative burden.

POLICY OPTIONS 1 TO PROVIDE A HARMONISED COMPANY LEGAL FORM FOR ENTREPRENEURS

Policy option 1a: Introduce a new harmonised legal form for a 28th regime company with a recognisable EU brand, to be set up by natural persons as founders.

These policy options address a potential take-up of the 28th regime company legal form i.e. who could set up such a 28th regime company under the harmonised legal form and how such a company could be set up. The cost savings are linked to the other policy options and that the main outcome of these policy options is the uptake of the 28th regime companies.

In option 1a, only founders as natural persons can create a 28th regime company and based on calls from the founders and small companies in particular in the public consultation, it is estimated that 90% of new 28th regime companies would be founded by natural persons. This would equal to 1.502 new 28th regime companies founded by natural persons in the 1st year and 277 958 over 10 years.

Policy option 1b: Option 1a + to be set up also by legal persons (28th regime subsidiaries), with a possibility for existing companies to convert through domestic conversions, with harmonised rules for setting up of branches of 28th regime companies.

In this option, in addition, legal persons could set up a 28th regime company. It is estimated that this would correspond to 8% of newly created 28th regime companies, i.e., 134 companies in the first year and 24 707 over 10 years.

In addition, 28th regime company could be created through a domestic conversion of an existing limited liability company. Given the interest of the startup community (including existing companies) in calling for the 28th regime legal framework, it is estimated that 1.9% of the existing companies interested in setting 28th regime companies could be created through domestic conversion. In the 1st year, this would amount to 32 conversions and over the period of 10 years, there would be 5 868 companies created through conversions.

Policy option 1c: Option 1b + a possibility for existing companies to create a 28th regime company through a cross-border conversion, division or merger in accordance with Directive 2019/2121.

There are around 400-500 cross-border mergers annually in the EU[1]. Given the recent transposition of the Cross-Border Mobility Directive harmonizing also cross-border divisions and conversions[2], the numbers of those cross-border operations are not yet available. In any event, given that these operations consist of many steps, are time-consuming and costly and therefore would not meet the needs of the startups (with limited financial resources) in terms of quick and efficient setting-up, it is estimated that

[1] Source: BRIS.

[2] Directive 2019/2121.

only 0.1% of 28th regime companies would be created this way. In the 1st year, this would amount to 2 28th regime companies created through cross-border operations and over the period of 10 years, 309 28th regime companies would be created in this way.

POLICY OPTIONS 2 TO MAKE REGISTRATION OF COMPANIES, IN PARTICULAR STARTUPS QUICKER AND SIMPLER

Policy Option 2a: Create an EU single interface based on BRIS for the registration of 28th regime companies with harmonised bilingual templates (EN/national language) and preventive administrative, judicial or notarial control.

Under this option, founders would be able to set up a company directly through a single interface and by using a bilingual template i.e. standardised instrument of constitution/articles of association. Today when setting up a company, founders need to do it at national level through national interfaces in the national language of the Member State where they want to register the company. They often need to seek professional advice such as lawyers or accountants and in notarial countries, they need get the founding document/articles of association or the national templates notarised.

The participants to the workshops confirmed that given that the requirements vary between Member States, there is always a need to check what the local requirements are, and the estimated time for having to deal with the different national websites, different national templates and registration forms in each Member State, preparation of Articles of Association, preparation, signing, and sending other documents, before registering (filing for registration with the business register) ranged between 4h and 1 week. For the purposes of this impact assessment, an average time spent is estimated at around 10 hours (40EUR/hour).

As to the cost before registering the company, the public consultation and the workshops provided overall costs for lawyers and notaries without separating different cost components for the pre-registration and registration phase, including the preventive control. Although it can be estimated that the cost in the pre-registration phase would be reduced, this impact assessment takes a conservative approach and does not calculate any savings in this respect given that it is difficult to separate the different cost components.

Based on the results of the public consultation and workshops with companies, the phase before filing for registration with the business register includes waiting time, when setting appointments with a notary or lawyer and receiving documents, estimated to be 1 week.

Given that BRIS exists and all Member States' business registers are connected, the costs are related to further development of BRIS, both for the Commission and for Member States. These costs are based on the assumptions taken in the 2023 impact assessment for Directive (EU) 2025/25 on the upgrading of digital company law. Therefore, the further development costs of BRIS by the Commission, including an EU single interface based on BRIS, is estimated to be EUR 1 million (EUR 500 000 for study, preparation, testing and development of the user interface for company registration, including 2 additional TFEs to manage and ensure the continuous working of the interface, and EUR 500 000 for study, preparation, testing and development of the European Central Platform that exchanges information between the user interface and the national business registers, and the related message model, based on the costs of

the central system's development so far[3]. As to IT development costs for business registers, the estimation takes into account that all Member States have already developed the interconnection of their national business registers to BRIS. On average, Member States spent EUR 200 000 each to interconnect their business registers to the first version of BRIS[4]. Given that the existing IT development would be used as a basis for the new developments required by this option, and Member States will be able to reuse existing technology and should only develop the new software needed to receive the company registration data from BRIS, the cost is estimated at EUR 100 000 per Member State, EUR 2.7 million in total (the same amount is calculated for each policy option where developments to BRIS would be necessary)[5].

Policy Option 2b: Option 2a + introduce a deadline (48 hours) and cost ceiling of EUR 100 to complete the registration including the preventive administrative, judicial or notarial control when the standardised template is used by founders as natural persons.

In addition to option 2a, this option will introduce a deadline (48 hours) to complete the registration, as well as a cost ceiling of EUR 100 to complete the registration – in both cases including preventive administrative, judicial or notarial control. Based on the replies to the public consultation[6], it is estimated that registering takes more than 10 working days. The average fee of registering a company with a business register in a MS is EUR 250[7]. In those Member States where notaries are involved, the additional average cost is EUR 300[8] when national template is used or EUR 750[9] in other cases.

In those Member States where preventive control is carried out by other authorities than business registers (this mainly concerns notarial countries), Member States would need to ensure that notaries be connected to the national business registers in order to be part of the single registration system. Given the important number of notaries in some Member States, Member States could decide to implement this option by designing/appointing a pool of notaries to be responsible for 28th regime companies.

The cost of connecting the IT system of the authority performing preventive checks (e.g. the national notarial IT system to the single registration system is estimated at average EUR 50 000 per affected Member State, although some Member States that entrust preventive control to notaries already connect notaries to the national business register and would therefore require only a minor setup costs.

Policy Option 2c: As option 2b, but with preventive control by judicial or administrative authorities (excluding notaries) when the standardised template is used by founders as natural persons.

Under this option, notaries would not carry out the preventive control, but it would need to be carried out by administrative or judicial authority. Therefore, this option would not bring cost savings for companies but could create adjustment costs for those Member States where notarial preventive control would need to be carried out by other authorities. On the other hand, centralising preventive checks within one administrative or judicial authority could also create cost savings for public bodies in those Member States where these checks are currently carried out by a notary and an administrative

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[3] Commission staff working document report on the technical and financial aspects of the Business Registers Interconnection System (BRIS) Directive (EU) 2012/17, SWD(2023) 79 final.

[4] SWD(2023) 79 final.

[5] The BRIS related developments under Directive 2025/25 have not yet been carried out.

[6] Over 2/3 of respondents said that setting up a company takes more than 20 working days.

[7] Based on the registration costs of a sample of 9 Member States.

[8] Based on the published notary fees of a sample of 5 Member States where notaries are involved.

[9] Based on the published notary fees of a sample of 7 Member States where notaries are involved.

or judicial authority. However, it is not possible to estimate such adjustment costs or savings given that it would be left to the concerned Member States to organize the replacement of notaries in preventive checks.

POLICY OPTIONS 3 TO ENSURE ONCE-ONLY SUBMISSION OF INFORMATION IN THE CONTEXT OF REGISTRATION

Policy Option 3a: In the context of the registration, ensure that the information about the company is transferred from the business register to the authority in charge of issuing the TIN and the VAT identification number, to social security authority and to the beneficial ownership register, with any additional information needed for the beneficial owner as part of the template, without the 28th regime company needing to submit it again ("once-only principle").

This policy option adds to the EU system for registration under policy options 2, that the company information in the context of registration is directly transferred to the authority in charge of issuing the TIN and the VAT identification number, to social security authority and to the beneficial ownership register. In most Member States, especially 11 Member States where the tax identification number is based on, or technically related to, the business registration number, in 17 Member States where the business register and the beneficial ownership register are either under the same authority or IT umbrella, or at least closely linked and already exchanging information, and in 7 Member States where the attribution of the social security number of the company is obtained as part of the company registration process, there would not be significant changes because it is assumed that companies would not need to submit the company information separately and Member States would not need to provide a technical solution. However, in some Member States included in those 16 Member States where tax identification number is not based on the business registration number, and in 10 Member States where beneficial ownership register is separate from the business register, and in 14 Member States where the attribution of the social security number of the company as employer by social security authorities is not part of the company registration process, companies would normally need to separately submit the information to these other instances. In such cases the time to prepare the company information and to submit is estimated to be 2 hours based on submissions of specific company information in the context of company procedures. In case of beneficial ownership information, the current average filing fee is 21 EUR[10].

In these cases, Member States would need to ensure the technical solution for the automatic submission of the company information to those other instances. Given the digitalisation of public authorities, this should not entail extra IT costs or only very marginal ones due to the possibility to exchange data through standard APIs, which is a standard technology and a normal development for achieving the 2030 target of 100% digital public services for businesses under the Digital Decade Policy Programme 2030 (that on average in 2025 already stands at 86.2% completion[11]).

Policy Option 3b: Option 3a + the 28th regime company would obtain the TIN from the relevant authority[12] as part of the registration process, with any additional information needed to obtain TIN as part of the template.

In addition to option 3a, in this option the company would obtain the TIN as part of the registration process and any additional information needed for TIN would be part of the template. As under option 3a, in many Member States where the TIN is obtained as part of the company registration process, especially in those 11 Member States where the TIN is based on, or technically related to, the business registration number, no changes

[10] 6 Member States.
[11] COM, State of the Digital Decade 2025 Factsheet, June 2025.
[12] This option would not apply to those cases where the TIN is also the VAT identification number.

would occur. However, in some other Member States, a company would possibly need to submit additional information to what is already covered under policy option 3a for the purposes of obtaining TIN. However, it is estimated that such additional information would be limited and therefore this Impact Assessment takes a conservative approach and does not calculate any time spent on such submissions. As to the waiting time for receiving the TIN, based on public consultation and workshops, it is estimated that on average it takes one week to obtain the TIN.

Policy Option 3c: Option 3b + the 28th regime company would obtain the VAT identification number from the relevant authority as part of the registration process (unless the tax authority needs additional case specific information).

In addition to option 3b, in this option the company would also obtain the VAT identification number as part of the registration process. In those Member States where the VAT is the same number as the TIN and/or the company registration number, or technically related to at least either of them, or are at least obtained as part of the same procedure, no changes would occur. However in Member States where there is no automatic allocation of the VAT identification number, and especially in 9 Member States where the VAT identification number is not technically related to either the company registration number or the TIN, the company may need to submit additional information to the tax authority in addition to the company information that the company already filed in the business register, and covered under option 3a. It is estimated that it takes 2 hours to prepare and submit such additional information which is not in the business register and not included in the template. As to the waiting time receiving the TIN based on public consultation and workshops, it is estimated that on average it takes one week to obtain the VAT identification number.

POLICY OPTIONS 4 TO FACILITATE CLOSURE OF THE COMPANY

Policy Option 4a: Ensure that all relevant filings by the liquidator for closure outside of insolvency are transferred from business register to other authorities ("once-only principle") and online filing of claims from creditors

This policy option aims to reduce the time of completion of such procedures by eliminating the administrative burden of multiple filings to national authorities and, in particular, to tax and social security authorities. The business registers would forward the necessary information making the procedure less costly and time-consuming. In a few Member States, where business registers already inform tax authorities, e.g. in the Netherlands and in France, there would not be significant changes. In addition to that, where national laws provide for lodging claims against the estate of the company as part of the solvent liquidation procedure, these could be done online reducing the time of reception and process by the liquidation, hence reducing the time of the liquidation itself.

The calculations are based on the 8,5%[13] rate of enterprise death. However, as explained above the expected up-take of 28th regime companies is based on net figures, therefore 8.5% of the expected nearly 309.000 new 28th regime companies over the 10-year period is a very conservative estimate of number of companies that might need to liquidate. As automatic exchanges of information between e.g. registers and tax authorities are rare and only present in a few Member States, e.g. in the Netherlands and France, the calculations are done conservatively but for all Member States. It is assumed, as above for policy options 3, that it would take 2 hours of work to prepare the company information and to submit it to tax and social security authorities, based

[13] According to 2025 Eurostat, there was an 8.5% rate of enterprise deaths (exempting insolvency) as compared to a rate of 10.5% of enterprise births in 2023 in the EU. Research done in the US (Startup Failure Rate Statistics) refers to even higher rates with the failure rate being 10% in the first year.

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on submissions of specific company information in the context of company procedures. A standard cost of 60 EUR/hour for a legal professional/adviser is used as it is assumed that a professional adviser needs to be involved in all Member States, given that today the search and filings in many Member States need to be carried out by the liquidator[14] and that in most Member States intermediaries are involved in the closure[15]; thanks to the application of the once-only principle, professional advisers would not need to be involved any more in the context of such filings. To be noted, that the cost estimations do not include the possible involvement and cost of a lawyer or a notary in more complex situations requiring further action than the simple filing of the relevant information to national authorities.

The same technical solution could be used to ensure this automatic submission of the company information as already covered under options 3 and therefore, no additional costs need to be calculated for the authorities.

Policy Option 4b: Option 4a + simplified liquidation procedure (outside of insolvency) for no assets/no debts to be concluded within a specific deadline.

A simplified solvent liquidation can eliminate the need for a professional external liquidator (e.g. law and accounting firms) or a notary and the relevant professional fees which could amount to few thousand euros for simple cases. It is assumed that this would amount to 500 EUR, which is a conservative estimative given that for instance, a single deed in a simplified closure procedure in Belgium costs 1500 euros and participants in the workshop with companies estimated that involvement of notaries, lawyers or other professional advisers could amount to 5 000 EUR. The shareholders could carry out the administrative steps and conclude the affairs of the company themselves. This calculation is carried out on the assumption that 1% of the solvent companies which are to undergo a closure procedure, have no debts and no assets and therefore, could benefit from the harmonised simplified procedure.

Furthermore, the waiting time that a closure would take would be considerably reduced. Where a solvent liquidation might take from 6 to 12 months or longer (given, e.g., a mandatory waiting period, often a "Sperrjahr" or blocking year, to allow creditors to register claims, e.g. in DE)[16] due to mandatory legal steps and waiting periods for tax clearance, a simplified procedure for a company with no assets/no debts can be completed within 3 to 4 months or even faster[17]. Therefore, it is assumed that waiting time could be potentially cut by around 8 months (from 12 to 4 months).

Policy Option 4c: Option 4b + a simplification of insolvency procedures thanks to their full digitalisation

This policy option would also add full digitalisation of insolvency procedures, which would include, in particular, that all communications between participants (with the exception of the communication between courts) of such proceedings would be performed by electronic means, establishment of electronic auction systems for the sale of the assets of the debtor and performance of asset sales through such electronic auction systems.

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[14] Given that a liquidator assumes the management of the affairs and of the estate of the company and is responsible for the payments of the debts of the company and the satisfaction of the creditors from the liquidation of company's estate up to the ultimate striking off from the business register.
[15] Respondents in the consultation explained that in most Member States companies could not complete dissolution without notaries, lawyers, auditors or liquidators.
[16] On the basis of templates drawn up by ICLEG, voluntary liquidation typically takes between 6 months and 1 year in IT; a completion of winding up within one year is achievable in IE; a dissolution procedure generally takes between 1 to 3 months but the subsequent liquidation may take several months in FR; and usually takes around 1 year in ES.
[17] On the basis of templates drawn up by ICLEG, simplified liquidation envisaged for the Polish Prosta Spolka Akcyjna (PSA) takes in practice 2-4 months.

Communication in cross-border cases between the parties (debtors, creditors, shareholders etc.), between parties and practitioners appointed by a court and between courts would be greatly facilitated and made speedier by digitalised procedures.

Electronic communication with courts and insolvency practitioners is currently standard in about 75% of EU Member States[18]. Hence, a full digitalisation of this communication between the competent authorities and the insolvency practitioners as well as with all other parties to the proceedings (the debtor, the creditors) would further facilitate this communication and make it speedier; thus, the full digitalisation would reduce the administrative burden for all parties involved which would result in shorter length of the insolvency liquidation procedures.

The longer insolvency proceedings last, the bigger are the adverse effects on the value that can be recovered in a liquidation ("melting ice cube" phenomenon)[19]. Thus, the reduction of cost of failure through full digitalisation of insolvency procedures would encourage investments in European companies. Electronic auctions would further reduce costs and would facilitate reaching a wider circle of interested bidders thus contributing to the sale of assets at higher prices. Traditionally innovative sectors, such as tech and biopharma, are considered of high-risk for investors due to high volatility in business valuations mainly at the startup phase but also during scaling up. In the context of technological companies, about 80% of projects started by large tech companies fail: as a result, the cost of failure - that is, the expense of shutting down unsuccessful projects and launching new ones – is one of the critical elements in profitability analysis[20].

A similar situation exists in relation to scaleups and startups: investors in high-risk tech sectors rely on their ability to scale rapidly or reallocate resources; if the cost of failure is too high, the expected returns on large bets diminish – thereby reducing incentives to invest in European tech firms[21]. As a result, businesses are investing less[22] and are less likely to pursue innovative activity, which slows down the diffusion of technical progress and ultimately the growth potential. At the same time, capital allocation is impaired because economic resources locked in distressed entities (zombie companies undergoing lengthy insolvency procedures) are not available for more productive uses[23]. The study of the University of Namur has found a correlation between high bankruptcy recovery rate and future innovations as well as a reduction of credit interest rates and reduction of constraints for SMEs. This indicates that a functioning legal bankruptcy

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[18] Steffek, F., 'Analysis of individual and collective loan enforcement laws in the EU Member States', DG FISMA, November 2019, available at https://ec.europa.eu/info/publications/191203-study-loan-enforcement-laws.

[19] The "melting ice cube" phenomenon stipulates that the recovery value is not a fixed, exogenously determined amount, but that it tends to decline the longer the duration of the process. This is because beyond the depreciation of physical assets such as machinery over time, their value deteriorates if they are not used. Moreover, business lines that may still be viable on their own become less valuable if business relationships are interrupted. The recovery value will generally be smaller than 100%, but it is often not zero because, even if the borrower is insolvent, there may still be assets with a positive value.

[20] Coatanlem/Coste, Cost of failure and competitiveness in disruptive innovation, IEP@BU Policy Brief, September 2024, p. 9.

[21] ESNA Compendium, Building a Competitive Europe: the role of startup and scaleup ecosystems, May 2025.

[22] Low recovery values, long insolvency procedures, administrative costs of the procedures matter not only for the efficiency of a company's liquidation. Even more important is that these three factors and the uncertainty surrounding them will determine the magnitude of the risk premium that creditors factor in when they will undertake an investment. A high-risk premium increases the cost of capital for the corporation and, if the risk is particularly high, will continue to dissuade investors to provide credit and cross-border investors to consider investing abroad.

[23] Impact assessment report accompanying the document proposal for a Directive of the European Parliament and of the Council harmonising certain aspects of insolvency law (section 1.4.), SWD(2022)395 final.

system which optimises recoveries aids in upscaling an economy especially as regards SMEs.[24]

Digitalisation of procedures is a trend in all Member States, any upfront costs of putting such digital procedures in place are likely to be quickly offset by the gains in the reduction of the length of procedures.

Regarding costs of digitalisation of insolvency proceedings, no or little additional costs could be expected, since the work on digitalisation of judicial procedures in Member States, including insolvency procedures, are already ongoing and usually cover all aspects of judicial proceedings not only their specific parts or aspects, such as insolvency or restructuring.

Regarding specific costs of establishment of electronic auctions systems in insolvency, 14 Member States already have such platforms in place for online judicial auctions, but only three seem to use them for insolvency cases. Member States would need to spend resources on the development and maintenance of such platforms. According to IT experts, the amounts could be EUR 5 000 to 10 000 one off developments costs for a medium complex platform, plus 12 000 of annual maintenance costs. There was no information to estimate the additional costs for the specificity of using such platforms for insolvency cases. As conservative assumption, the adjustment costs could be as high as the development costs. Using these data, development cost for all those Member States that do not have a judicial platform and adjustment costs for all those that are not using it for insolvency cases would sum up to EUR 185 000 to 370 000. All 27 Member States’ maintenance costs would be EUR 324 000.

POLICY OPTIONS 5 FOR ATTRACTING TALENT

Policy Option 5a: Possibility for 28th regime companies to set up employee stock ownership plans (ESOPs) and issue classes of shares with distinct voting rights

Under this policy option, 28th regime companies would be able to set up ESOPs, choosing their preferred type and structure including the voting rights of employee stocks. Based on a workshop with companies and desk research, internal time spent by companies for setting up an employee ownership plan is estimated at an average of 9 hours. It is conservatively assumed that this option will not reduce internal time spent by companies, given that companies would typically still have to carry out the same internal steps as under the baseline, including consulting professional advisers, choosing an appropriate scheme based on the advice received and informing employees about it. Costs for professional advice, currently estimated at an average of EUR 2800 based on the independent expert report for the European Innovation Act, a workshop with companies and desk research, is estimated to moderately decline by 5% due to greater competition resulting from professional advisers being able to better provide their services across borders under the 28th regime corporate legal framework. Based on a projection of historical data on the use of ESOPs by private companies presented in the PEPPER V Report[25], it is estimated that 6.4% of 28th regime companies would set up an ESOP.

Policy Option 5b: Option 5a + introduce an optional common employee stock ownership scheme for 28th regime companies, based on employee stock options and with common criteria (EU-ESO)

[24] Farè/Dejardin/Toulemonde, Bankruptcy recovery rate and small businesses' innovation, May 2023, DeFiPP Working Paper 2023-02, pp. 24-27.

[25] Kelso Institute Europe, The PEPPER V Report, January 2024, pp. 87 et seq.

Under this policy option, companies would be provided with an optional common EU employee stock ownership scheme which is based on stock options, facilitating the emergence of low-cost professional advice on this EU-ESO throughout the EU. Internal company time spent is assumed to remain unaffected, while costs per company for professional advice on setting up the EU-ESO are conservatively estimated to decline by 10% compared with the baseline, based on the independent expert report for the European Innovation Act and expert judgment. Due to the cost-effectiveness of the scheme and its EU-wide recognisability to companies and employees, an increased uptake of 8% of the EU-ESO by 28th regime companies (representing a 25% higher ESOP uptake than under PO5a) is assumed.

Policy Option 5c: Option 5b + provide harmonised timing for the taxation of employee stock options granted in the context of the EU-ESO

In addition to option 5b, the timing of taxation of employee stock options granted in the context of the optional common EU-ESO would be harmonised throughout the EU, deferring it to the point of disposal of the shares acquired through the scheme. Internal company time spent is again assumed to remain constant while costs per company for professional advice on setting up the EU-ESO are estimated to further decline due to reduced costs for tax advice, leading to a 15% cost reduction compared with the baseline. In light of the higher cost-effectiveness of the EU-ESOP, an even higher uptake of 10% of the EU-ESO by 28th regime companies (representing a 25% higher uptake than under PO5b) is assumed.

Option 5c comes with negative liquidity effects for EU tax authorities due to the tax deferral that occurs in relation to the employee stock options granted in the context of the common EU-ESO, with corresponding positive liquidity effects for employees. As employees receive stock options and shares upon exercise of those stock options, taxation would be deferred to the point in time when the corresponding gains are realised. Therefore, tax authorities sustain lower cash-flow at least during the years after starting the new scheme. These costs are estimated on the basis of the net take-up rate of the 28th regime company legal form, the above-mentioned 10% share of 28th regime companies setting up the EU-ESO and the assumption that 20% of employees of 28th-regime companies actually invest in stocks by exercising their options granted through the EU-ESO. It is further assumed that these employees receive an equivalent of 10% of their compensation through the EU-ESO and that tax payments are deferred by 10 years (that is, gains are realized *after* the 10th year). The negative liquidity effect will therefore decline after year 10 as more and more deferred taxes (including social security contributions) would become due. All estimations are aggregates for the EU-27. Current take-up of already existing employee stock option schemes in EU Member States cannot be modelled explicitly. The cost for tax authorities is therefore likely lower than indicated, also considering that some Member States already provide deferred taxation for employee stock option schemes under specific conditions.

Policy options 6 to provide a flexible governance and capital regime for founders and investors

Policy Option 6a: Create a flexible governance system, provide simple and fully digital procedures for increasing capital and issuing shares and enable the use of modern early-stage financing instruments like SAFEs.

Under this policy option, 28th regime companies would need to have only 1 shareholder and 1 director and have the possibility to conduct the meetings of the corporate bodies online, either fully or in hybrid mode. This option would also allow capital increase and share issuance procedures to be carried out fully digitally and simplify formalities such as obtaining the TIN for foreign investors and enable the use of modern early-stage financing instruments like SAFEs.

Compared to today, through these measures, the policy option 6a would reduce the **time spent** regarding the preparation of physical meetings, coordination with intermediaries, and the documentation per financing or governance event for founders,

directors, and investors. Based on stakeholder input, it is estimated that the time reduction amounts to 15 hours with a standard hourly cost of EUR 40/hour. This corresponds to EUR 600 per operation in direct savings. As with PO7a (see below), higher opportunity costs for senior management or professional investors are not monetised to avoid overestimation.

Policy option 6a would also reduce or eliminate several recurring **administrative and professional costs** commonly associated with governance and capital operations, including costs linked to physical general meetings (travel, accommodation, venue or representation costs); repeated legal or notarial involvement for routine capital increases; external advisory costs to adapt early-stage instruments (e.g. SAFEs) to restrictive national capital regimes. While these savings vary by Member State and transaction type, conservative stakeholder-based estimates indicate additional savings of EUR 500 per transaction in reduced legal, administrative and coordination costs for standard early-stage or follow-on financing rounds.

Moreover, the duration of a financing transaction that includes a standard capital increase where current procedures require physical meetings, notarisation, and sequential filings usually takes 30 calendar days, particularly in cross-border situations. In more complex cases involving foreign investors (e.g. issuance of national TINs, physical identification, or notarial formalities), delays of several weeks are currently common. PO6a would significantly compress these timelines by enabling fully digital execution and streamlined identification procedures.

Taken together, policy option 6a is estimated to generate per-operation/round efficiency gains of approximately EUR 1 100.

Policy Option 6b: Option 6a + 0 or EUR 1 minimum capital but no paid-in share capital for incorporation of 28th regime companies and harmonised creditor protection safeguards in addition to capital maintenance rules.

To assess the efficiency gains generated in addition by policy Option 6b, the removal of mandatory paid-in minimum share capital would allow founders to complete incorporation without opening a bank account upfront, thereby eliminating a well-documented procedural bottleneck.

Based on stakeholder input (workshops and open public consultation) and expert judgement, the complexity of AML/KYC procedures and repeated interactions with financial institutions allow for a conservative assumption of around 10 hours of active time spent with an hourly standard cost of EUR 40/hour by founders or managers per incorporation (preparing documentation, responding to bank requests, follow-ups and coordination), which would be avoided where no upfront capital deposit is required.

In addition, stakeholder feedback indicates that opening a bank account for the purpose of paying in minimum share capital often entails direct costs. In cross-border cases, stakeholders reported additional costs linked to translations of corporate or personal documents, legalisation or apostille, powers of attorney, and in some cases travel expenses, where banks require physical presence for identification. These costs vary significantly between Member States and financial institutions, making it difficult to provide an estimation and, therefore, this Impact Assessment takes a conservative approach and does not include them.

Finally, based on stakeholder feedback, it is assumed that the obligation to open a bank account for meeting minimum capital requirements delays company incorporation by an average of four weeks.

Taking these elements together, the removal of the obligation to pay in minimum share capital at the moment of incorporation is estimated to generate direct efficiency gains of approximately EUR 400 per company. These savings are only applied to those legal forms in Member States where paid-in minimum share capital is legally required at the

moment of incorporation or registration[26]. No savings are attributed to Member States where no such upfront capital requirement exists or where paying in capital can be deferred, in order to ensure a realistic and proportionate estimation. The number of incorporations is based on the number of newly created companies in those Member States, as described further above and in Annex 8.

Besides the direct administrative and compliance costs linked to bank account opening and AML/KYC requirements, minimum share capital rules also create indirect economic and opportunity costs that are particularly relevant for early-stage founders (see table on assessment of efficiency related to policy options 6).

Policy Option 6c: Option 6a + common minimum share capital of EUR 5 000 for incorporation of 28th regime companies with harmonised creditor protection safeguards based primarily on capital maintenance

In addition to option 6a, the efficiency assessment of the additional elements of policy option 6c is conducted on a predominantly qualitative basis. This reflects the fact that the main efficiency gains generated by common minimum share capital requirement and harmonised capital maintenance rules do not arise from measurable reductions in transaction costs, but rather from harmonisation, legal simplification and increased regulatory predictability.

By introducing a single, uniform minimum share capital requirement of EUR 5 000 for 28th regime companies, PO6c reduces information costs, legal complexity and uncertainty for founders and investors. These efficiency gains are largely qualitative in nature and are therefore not monetised.

At the same time, option 6c may generate indirect or opportunity costs in those Member States where existing national private limited company forms require a lower minimum capital than the EUR 5 000 threshold set under this policy option.

Policy options 7 to facilitate exit options

Policy Option 7a: Ensure that transfers of shares of 28th regime companies can be carried out fully digitally

Under this policy option, 28th regime companies would be able to transfer shares fully digitally and, where intermediaries such as notaries or lawyers are involved in share transfers, they would have to provide their services fully online. Compared to today, based on stakeholder input and expert judgement, these measures are assumed to reduce the active time spent per share-transfer transaction by approximately 5 hours for investors and company representatives, reflecting the simplification of procedures and the elimination of in-person steps. Applying a standard hourly cost of EUR 40/hour (reflecting a mix of founder, employee and investor time), this corresponds to EUR 200 per transaction.

In addition, PO7a would reduce or eliminate several direct costs frequently associated with physical execution, including powers of attorney (often required per investor or seller and multiplied in transactions involving several parties), apostille or legalisation fees (approximately EUR 10–EUR 25 per document), and travel and accommodation costs for cross-border appointments (conservatively estimated at EUR 200–EUR 600 per person). Assuming the need for only one power of attorney and no international travel for an average transaction, conservative direct cost savings of around EUR 500 per such transaction can be expected; where travel or multiple parties are involved, savings are materially higher.

Finally, it is conservatively assumed that enabling fully digital share transfers would reduce the overall waiting time for completing a transaction by at least 5 calendar days

[26] 13 Member States.

in standard cross-border cases, contributing to faster deal execution and improved liquidity for investors.

Taken together, PO7a is estimated to generate per-transaction savings of approximately EUR 700 through reduced time spent and direct costs.

Policy Option 7b: Option 7a + no requirement to involve intermediaries in share transfers of 28th regime companies

Under this option, 28th regime companies would be able to transfer shares without the mandatory involvement of intermediaries. Currently, the involvement of notaries in share transfers for private limited companies depends on national rules. In some Member States[27] and depending on the company legal form, a notarial deed is mandatory for the validity or enforceability of share transfers, with fees typically regulated by statutory tariffs and calculated on the basis of transaction value. Common-law, Nordic systems and other non-notarial systems[28] typically allow share transfers by private agreement without notarial involvement.

In terms of active time, interviews indicate that investors and company representatives spend an additional 5 hours per transaction on coordination, documentation and follow-up filings due to notarial requirements. Applying a conservative standard hourly cost of EUR 40/hour, this results in an estimated EUR 200 per transaction in time-related costs.

In Member States requiring notarisation, notarial fees constitute a per-transaction cost for investor entry and exits and are primarily based on a percentage of the transaction value, with specific scales and thresholds for each country[29]. Based on a sample of regulated notarial systems (Germany, Spain, Austria and Belgium), an average notarial cost of approximately 0.3%–0.5% of transaction value is used as a conservative benchmark for the assessment. This estimate is also applied to Member States with liberalised fees (Italy, Netherlands) to avoid underestimating costs. In addition, several jurisdictions require the notarised deed to be filed with the business register, generating further registration fees and administrative steps (e.g., typically EUR 40–EUR 80 per transaction in Spain). Using a conservative average notarial fee of 0.3–0.5% of transaction value (based on regulated systems such as Germany, Spain, Austria and Belgium) and average business-register filing fees of EUR 80–EUR 150, the direct, recurring cost savings from removing mandatory notarial involvement can be illustrated as follows: for a share transfer of EUR 20.000, current notarial and filing costs typically amount to EUR 140–EUR 250; for a growth-stage secondary transaction of EUR 500 000, these costs rise to approximately EUR 1 580–EUR 2 650; and for a late-stage or large secondary transfer of EUR 1 million, total notarial and registration-related costs typically reach EUR 3 080–EUR 5 150 per transaction.

In addition to direct notarial and registration fees, mandatory notarisation generates significant waiting time, which investors consistently identify as particularly burdensome. Based on stakeholder interviews, it is conservatively assumed that coordinating a notarial share transfer, including appointment scheduling, preparation of documentation and post-notarisation filings, extends the overall transaction timeline by between 10 days and one month in cross-border cases. The length of the delay varies depending on the Member State in which the transfer must be executed, ranging from

[27] Member States with mandatory notarial involvement in share transfers include AT, BE, BG, HR, CZ, DE, IT, LV, LT, NL, PL, RO, and ES.

[28] IE, SE, DK, EE, FI, FR, MT, CY.

[29] For example, in Spain, notarial fees amount to approximately EUR 160 for a EUR 6,000 transfer, EUR 440–EUR 460 for a EUR 100,000 transfer and around EUR 1,000 for a EUR 1 million transfer. In Germany, fees under the GNotKG are higher, ranging from approximately EUR 330–EUR 450 for a EUR 50,000 transfer, EUR 900–EUR 1,200 for a EUR 250,000 transfer and EUR 3,000–EUR 4,000 for a EUR 1 million transfer.

jurisdictions where completion typically takes around one week to others where the process can extend to up to four weeks.

It should be noted that it is not possible to extrapolate these costs to an EU-wide annual total, as there is no reliable data on the overall number of share transfers in private companies. Available studies (e.g. private equity or M&A reports[30]) capture only a small subset of high-value transactions and exclude the large volume of routine SME share transfers that nevertheless trigger notarisation obligations in many Member States.

Policy Option 7c: Option 7b + a possibility for Member States to grant access to public equity markets to 28th regime companies

This policy Option 7c would primarily generate additional **qualitative** efficiency gains by encouraging Member States to grant 28th regime companies access to public equity markets without losing the 28th regime legal form through conversion into a national public company form. Financial costs associated with going public would remain largely unaffected. Stakeholder feedback from workshops and targeted interviews consistently confirmed that, particularly in the context of an IPO, the legal and administrative costs of converting a private company into a national public company form are marginal compared with the overall costs of listing (e.g. underwriting, disclosure, governance, and market-access requirements). Accordingly, no quantitative cost calculation is provided for this option.

[30] For instance, PwC, Private Equity Trend Report 2025.

Standard cost model calculations on administrative burden

Policy Options 2

No.	Description	Number (Q)	Frequency	%	Explanation	Hourly rate (euro)	Time spent (hours)	Notary and professional adviser costs (euro)	Explanation	Administrative burden reduction: Cost savings per company	Administrative burden reduction: Number of companies	Administrative burden reduction: Total benefit
PO 2a												
	Create an EU single interface based on BRIS for the registration of 28th regime companies with harmonised bilingual templates (EN/national language) and preventive administrative, judicial or notarial control.	277,958	1	100%		40.00	10.00		10 hours time spent reduction.	400.00	277,958	EUR 111,183,200
										Admin burden reduction PO2a		**EUR 111,183,200**
PO 2b												

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Option 2a + introduce a deadline (48 hours) and cost ceiling of EUR 100 to complete the registration including the preventive administrative, judicial or notarial control when the standardised template is used by founders as natural persons.		277,958	1	100.00%	Total one-off administrative burden reduction for 28th regime companies		40.00	10.00	150.00	Time spent reduction same as PO 2a. Cost ceiling of EUR 100 to complete registration, instead of average EUR 250 per company.Cost ceiling of EUR 100 to complete registration, instead of average EUR 250per company.		550.00	277,958	EUR 152,876,900
		277,958	1	89.88 %	Total one-off administrative burden reduction for 28th regime companies in notarial countries		40.00		300.00	In those Member States where notaries are involved, the additional average cost is EUR 300 when national template is used. In those Member States where notaries are involved, the additional average cost is EUR 300when national template is used.		300.00	249,839	EUR 74,951,749

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Description	Number (Q)	Frequency	%	Explanation	Hourly rate (euro)	Time spent (hours)	Notary and professional adviser costs (euro)	Explanation			
	277,958	1	89.88 %	Total one-off administrative burden reduction for 28th regime companies in notarial countries	40.00		750.00	In those Member States where notaries are involved, the additional average cost is EUR 750 in other cases.	750.00	249,839	EUR 187,379,373
									Admin burden reduction PO2b		**EUR 227,828,649 to 340,256,273**
PO 2c											
As policy option 2b but with preventive control by judicial or administrative authorities (excluding notaries) when the standardized template is used by founders as natural persons.	277,958	1	100%	Total one-off administrative burden reduction for 28th regime companies created over a period of 10 years.				same as 2b			
									Admin burden reduction PO2c		**EUR 227,828,649 340,256,273**

Policy Options 3

No.	Description	Number (Q)	Frequency	%	Explanation	Hourly rate (euro)	Time spent (hours)	Notary and professional adviser costs (euro)	Explanation	Administrative burden reduction

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									Cost savings per company	Number of companies	Total benefit
PO 3a											
In the context of the company registration, ensure that the information about the company is transferred from the business register to the authority in charge of issuing the TIN, to social security authority and to the beneficial ownership register, with any beneficial ownership information as part of the template, without the 28th regime company needing to submit it again ("once-only principle").	277,958	1	27.3%	In 6 MSs, TIN is issued separately (upon request).	40.00	2.00		Time spent reduction of 2 hours in relation to requesting the TIN in 6 MSs.	80.00	75,827	EUR 6,066,155
	277,958	1	47.9%	In 14 MSs, the SSN is issued separately (upon request).	40.00	2.00		Time spent reduction of 2 hours in relation to requesting the SSN in 14 MSs.	80.00	133,114	EUR 10,649,127
	277,958	1	34.2%	In 10 Member States beneficial ownership register is a separate register.	40.00	2.00	21.00	Time spent reduction of 2 hours and beneficial ownership register filing cost reduction in 10 MSs.	101.00	95,062	EUR 9,601,225
									Admin burden reduction PO3a		**EUR 26,316,508**

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PO 3b											
Option 3a + the 28th regime company would obtain the TIN from the relevant authority as part of the registration process, with any additional information needed to obtain TIN as part of the template.								same as 3a in terms of cost and time spent reduction			EUR 26,316,508
										Admin burden reduction PO3b	**EUR 26,316,508**
PO 3c											
Option 3b + the 28th regime company would obtain the VAT identification number from the relevant authority as part of the registration process (unless more information is needed).								same as 3b in terms of cost and time spent reduction			EUR 26,316,508
	277,958	1	10.8%	In 4 MS (AT, DE, LU and MT) the VAT identification number is different than TIN and company registration number	40.00	2.00		Plus 2 hours of time spent reduction in relation to requesting the VAT identification number	80.00	30,019	EUR 2,401,557

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								Admin burden reduction PO3c	EUR 28,718,065

Policy Options 4

No. Description	Number (Q)	Frequency	%	Explanation	Hourly rate (euro)	Time spent (hours)	Notary and professional adviser costs (euro)	Explanation	Administrative burden reduction		
									Cost savings per company	Number of companies	Total benefit
PO 4a											
Ensure that all relevant filings by the liquidator for closure outside of insolvency are transferred from business register to other authorities ("once-only principle") and online filing of claims from creditors.	308,843	1	8.5%	According to Eurostat, there was an 8.5% rate of enterprise deaths in 2025 (exempting insolvency).	60.00	2.00	-	Time spent reduction: 2 hours.	120.00	26,252	EUR 3,150,199

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									Admin burden reduction PO4a		**EUR 3,150,199**
PO 4b											
Option 4a + simplified liquidation procedure (outside of insolvency) for no assets/no debts to be concluded within a specific deadline.	308,843	1	8.5%		60.00	2.00		Same as 4a	120.00	26,252	EUR 3,150,199
	26,252	1	1.0%		60.00	0.00	500.00	Additional out-of-pocket cost reduction of 500 EUR (no professional fees)	500.00	263	EUR 131,258
									Admin burden reduction PO4b		**EUR 3,281,457**
PO 4c											
Option 4b + simplified insolvency procedure through digitalisation.	308,843	1	8.5%		60.00	2.00		Same as 4a	120.00	26,252	EUR 3,150,199
	26,252	1	1.0%		60.00		500.00	Same as 4b	500.00	263	EUR 131,258
									Admin burden reduction PO4c		**EUR 3,281,457**

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Policy Options 5

No.	Description	Number (Q)	Frequency	%	Explanation	Hourly rate (euro)	Time spent (hours)	Notary and professional adviser costs (euro)	Explanation	Administrative burden reduction		
										Cost per company	Number of companies	Total benefit
PO 5a												
	Possibility for 28th regime companies to set up employee ownership plans (ESOPs) and issue classes of shares with distinct voting rights.	308,843	1	6.4 %		40.0	0.00	140.00	Current costs 2800 EUR and time spent 9 hours for setting up the ESOP. No time spent reduction expected. 5% reduction of costs.	140.00	19,766	EUR 2,767,233
										Admin burden reduction PO5a		**EUR 2,767,233**
PO 5b												

Option 5a + introduce an optional common employee stock ownership scheme for 28th regime companies, based on employee stock options and with common criteria ('EU-ESO').	308,843	1	8%		40.0	0.00	280.00	No time spent reduction expected. 10% reduction of costs.	280.00	24,707	EUR 6,918,083
									Admin burden reduction PO5b		**EUR 6,918,083**
PO 5c											
In addition to policy option 5b, provide harmonised timing for the taxation of employee stock options granted in the context of the EU-ESO	308,843	1	10 %		40.0	0.00	420.00	15% cost reduction	420.00	30,884	EUR 12,971,406
									Admin burden reduction PO5c		**EUR 12,971,406**

Policy Options 6

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No.	Description	Number (Q)	Frequency	%	Explanation	Hourly rate (euro)	Time spent (hours)	Notary and professional adviser costs (euro)	Explanation	Administrative burden reduction: Cost savings per company	Administrative burden reduction: Number of companies	Administrative burden reduction: Total benefit
PO 6a												
	Create a flexible governance system, provide simple and fully digital procedures for increasing capital and issuing shares and enable the use of modern early-stage financing instruments like SAFEs.		1	100%		40.00	15.00	500.00	Time: 15 hours saving per transaction Cost: 500 EUR savings per transaction	1,100.00		
										Admin burden reduction PO6a		**EUR -**
PO 6b												

Option 6a + 0/EUR 1 minimum capital but no paid-in share capital for incorporation of 28th regime companies and harmonised creditor protection safeguards in addition to capital maintenance rules		1	100%		40.00	15.00	500.00	Same as 6a	1,100.00		
	302,666	1	45.6%	28th regime companies founded by natural and legal persons in 13 MS.	40.00	10.00		Additional 10 hours time reduction per company.	400.00	138,016	EUR 55,206,278
									Admin burden reduction PO6b		**EUR 55,206,278**
PO 6c											

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Description	Number (Q)	Frequency	%	Explanation	Hourly rate (euro)	Time spent (hours)	Notary and professional adviser costs (euro)	Explanation	Cost savings per company	Number of companies	Total benefit
Option 6a + common minimum share capital of EUR 5 000 for incorporation of 28th regime companies with harmonised creditor protection safeguards based primarily on capital maintenance.	308,84 3	1	100%		40.00	15.00	500.00	Same as 6a	1,100.00		
									Admin burden reduction PO6c		**EUR -**

Policy Options 7

No.	Description	Number (Q)	Frequency	%	Explanation	Hourly rate (euro)	Time spent (hours)	Notary and professional adviser costs (euro)	Explanation	Administrative burden reduction		
										Cost savings per company	Number of companies	Total benefit
PO 7a												

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Ensure that transfers of shares of 28th regime companies can be carried out fully digitally.		1	100%		40.00	5.00	500.00	Time: 5 hours (saving) Direct costs: 500 EUR (saving)	EUR 700.00		
									Admin burden reduction PO7a		**EUR -**
PO 7b											
Option 7a + no requirement to involve intermediaries in share transfers of 28th regime companies.		1	100%		40.00	10.00	500.00	Same as 7a + additional 5 hours time saving per transaction on coordination, documentation and follow-up filings due to notarial requirements.	EUR 900.00		
		1	100%				EUR 140 to 5,150 depending on share transfer value	For a low share transfer of EUR 20,000, notarial and filing costs typically amount to EUR 140–EUR 250; for a growth-stage secondary transaction of EUR 500.000, these costs rise	EUR 140.00 to 5,150.00		

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								to approximately EUR 1.580–EUR 2.650; and for a late-stage or large secondary transfer of EUR 1 million, total notarial and registration-related costs typically reach EUR 3.080–EUR 5.150 per transaction.			
									Admin burden reduction PO7b		**EUR -**
PO 7c											
Option 7b + a possibility for Member States to grant access to public equity markets to 28th regime companies.		1	100%		40.00	10.00	500.00	Same as 7b + additional efficiency gains (qualitatively assessed)	EUR 900.00		
		1	100%				EUR 140 to 5,150 depending on share transfer value		EUR 140.00 to 5,150.00		
									Admin burden reduction PO7c		**EUR -**

The tables below provide an analysis of the efficiency of the various policy options based on the mapping of the impacts. Not all impacts are applicable to all policy options, as the initiative consists of a modular set of measures targeting different stages of company creation, operation, financing and exit, as well as interactions with public authorities. Some policy options primarily affect the initial establishment of companies, others their governance arrangements, access to finance, restructuring or exit conditions. Accordingly, efficiency gains and costs are assessed only where a clear causal link exists between the measure and the relevant impact category. This approach avoids artificial attribution of effects, prevents double counting, and ensures consistency with the intervention logic and the Better Regulation Guidelines.

<u>Policy options 1 to provide a harmonised company legal form for entrepreneurs</u>

- Policy option 1a - Introduce a new harmonised legal form for a 28th regime company with a recognisable EU brand, to be set up by natural persons as founders.
- Policy option 1b - Option 1a + to be set up also by legal persons (28th regime subsidiaries), with a possibility for existing companies to convert through domestic conversions, and with harmonised rules for setting up of branches of 28th regime companies.
- Policy option 1c - Option 1b + a possibility for existing companies to create a 28th regime company through a cross-border conversion, division or merger in accordance with Directive 2019/2121.

	Unit of measurement	PO 1a	PO 1b	PO 1c	Motivation
Companies and investors					
Ease of doing business	Score 0-5	2	3	4	Policy Options 1 have a horizontal and enabling character. By introducing a common EU corporate legal form with a recognisable identity, they do not primarily generate standalone efficiency gains but rather create the structural conditions under which the other policy options can operate effectively. The existence of a single, coherent legal form is a necessary precondition for the effective application of common registration procedures, once-only information exchange, ESOP schemes, digital governance, investment-related measures and exit mechanisms

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					introduced under subsequent options. As such, Policy Options 1 act as a catalyst that amplifies the effectiveness and efficiency of the other policy options and allows their impacts to materialise in a consistent and legally robust manner across Member States. These policy options would directly respond to strong calls in particular from the business and startup community, as shown in 15 000 signatories to the 2024 EU Inc petition calling for a standardised pan-European corporate structure, and in continued calls from BusinessEurope, MEDEF, and BDI[31]. Options 1b and 1c would score higher than option 1a because they would not only provide a common legal form with a recognisable EU brand, but also a harmonised 28th regime branch. In addition, they would ensure that not only natural persons but also legal persons (e.g. as parent companies) could set up a 28th regime company (subsidiary), thus benefitting also groups of companies. These options would also ensure that existing companies would have a choice to become 28th regime company through domestic conversions. While option 1c would make the 28th regime legal form available through an additional channel, i.e. through cross-border mergers, divisions and conversions, this option would not address the needs of those startups with limited financial resources (seed capital) and the aim to set up a 28th regime company quickly and at low costs. These cross-border operations are relatively costly, time-consuming and involve many steps in at least two Member States, including the possible negotiation of employee participation in company boards and anti-abuse checks to tackle possible abusive and fraudulent practises (see Directive 2019/2021). However, the setting up of a 28th regime company through such operations could benefit scaleups which would see the 28th regime legal form to fit its business needs. For

[31] 2019 papers from BusinessEurope, Bundesverband der Deutschen Industrie (BDI) and Movement des entreprises de France (MEDEF) calling for a relaunch of the SPE proposal.

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					example, where scaleups from two Member States intend to merge, they might wish to choose the 28th company legal form for the merged entity. All the trade unions that replied to the public consultation were of the opinion that it should only be allowed to create a 28th regime company **"from scratch"** (i.e. no domestic conversion, no cross-border operations). By contrast, all replying public authorities were in favour of allowing for 28th regime companies to be created through conversions. Overall, a large majority of respondents replied that both the creation **"from scratch" (88%)** and the conversion of an existing company (81%) into a 28th regime company should be available.
Ease of attracting investment	Score 0-5	2	3	4	As described for the ease of doing business, the introduction of a common EU corporate legal form with a recognisable identity would create the framework conditions under which the other policy options can operate effectively. Respondents to the public consultation considered that the most significant benefit of having an EU brand was that investors would be attracted to invest in 28th regime companies, with 93% considering that this would be the case to a large or very large extent (and 73% as very large). For investors, a common set of rules with a recognisable brand would mean that they would not need to carry out a due diligence of all the different national legal frameworks where they would plan to invest. The importance of the recognisable EU brand was also clearly underlined by the participants to the workshops. For example, the possibility of keeping a recognisable EU-brand in case the company decides to access regulated market was considered to bring high benefits (5.6 on the scale of 1-6, corresponding to benefits of more than 80%). Among the 3 options, PO1c scores highest as it enables the most businesses to increase their attractiveness to investors by choosing the 28th regime corporate legal form.
Administrative burden reduction (benefit)	Score 0-5	2	3	4	The participants to the workshops estimated that a harmonised legal form with a recognisable EU brand would significantly reduce the time spent on legal advice. On the scale of 1-6 (20% scale), they considered the reduction to be around 4.7 corresponding to almost 80%. The respondents also expected the reduction in the costs of legal advice

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					(notaries, lawyers, other professional advisers) to be around 60%. Also, 86% of the respondents to the public consultation considered that legal advice was needed due to complexity related to different company legal forms and/or the procedure to invest in companies in other Member States. PO1c scores highest as it enables the most businesses to choose the 28th regime and profit from reduced legal advisory costs. PO1a are also assessed to bring more benefits than PO1a because, in addition to a harmonised legal form, they also provide a harmonised 28th regime branch.
Administrative and adjustment costs (cost)	Score 0-5	0	1	2	The setting up a 28th regime company (from scratch) would not create any adjustment costs given that it would be a new company. Possible adjustment costs (such as changing letterheads, order forms etc. of the company, or adapting the articles of associations or governance structure) would however be relevant where an existing company would convert into a 28th regime company under option 1b or in case of cross-border conversions, divisions or mergers under option 1c. The possibility to create a 28th regime company through cross-border conversions, divisions or mergers under option 1c is assessed to be most burdensome and costly because it would require i.a. establishing draft terms of the cross-border operations, consultation of stakeholders, consultation of employees and possibly negotiations on employee participation in company board, and would be subject to scrutiny in both the "home" and "destination" Member State. In addition to involvement of lawyers or other intermediaries, the filing of the draft terms and other documents to the business register would normally be against a fee (see Directive 2019/2121 on Cross-border mergers, divisions and conversions).[32]
Public authorities					

[32] For example, just the filing of the relevant documents with the business register may amount to around EUR 650 per company, PRH - Front page | PRH.

Costs	Score 0-5	1	2	3	Member States would need to ensure that the common EU corporate legal form with a recognisable brand would be part of the available company legal forms in every Member State and that other relevant laws such as tax and labour law would be adapted to include the 28th regime legal framework and company form. Option 1a is assessed to require slightly less adjustment costs given that it would not be available for legal persons, while option 1b would possibly also require an adaptation of some relevant national rules applicable to groups. Policy option 1c would result in the highest cost because it would also require adaption of national laws related to cross-border conversions, divisions and mergers.
Benefits	Score 0-5	2	3	3	Member States' authorities would benefit from the common rules and recognisable brand in relation to 28th regime companies registered in another Member States and providing cross-border services, selling goods, posting workers etc. into their Member States. The authorities would not need to study 27 different legal rules but rely on common rules.
Economy and society at large					
Functioning of the internal market and competitiveness	Score 0-5	2	3	4	The common EU corporate legal form with a recognisable brand would contribute to the functioning of the internal market by reducing fragmentation and bringing efficiency gains and would thus have a positive impact on competitiveness. Option 1c would score the highest as it would also make it possible for scaleups to form a 28th regime company through cross-border operations. Also, 88% of respondents to the public consultation (1184) agreed that the EU-brand would bring benefits and 84% of respondents agreed to a large or very large extent that the benefits of the EU-brand would be that more startups would be created in Europe. 82% agreed to a large or very large extent that other companies (suppliers, contractors etc.) from other Member States would be attracted to do business with 28th regime companies. Respondents were also of the opinion that consumers would recognise the 28th regime company as an EU company and would

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					buy more products and services from such companies, ranking it as a very important benefit (74% agreed to a large or very large extent). In contrast to the US, whose corporate laws are primarily state-based, the EU common legal framework with an EU brand would provide for common rules throughout the EU Single Market, therefore having a **positive impact on EU's competitiveness**, also as compared to third countries. The 28th regime company would be recognised in all Member States, while a Delaware company has to perform a foreign qualification if it wishes to operate out of state within the US. The accurate and up-to-date information about the 28th regime company would be publicly available at EU level (through BRIS) and also at national level (in national business register) for the benefit of business partners, investors, creditors and other third parties and, the multilingual EU company certificate (harmonised extract) would be available for the 28th **regime company and all other Member State's** authorities must accept it. These would offer a clear advantage over third-country legal forms, for example Delaware corporations for which it is necessary to go through a mandatory Registered Agent to request company documents from the Division of Corporations (Delaware's equivalent to the business register) and where the Division of Corporation does not offer a method of obtaining key entity information in an up-to-date certified manner[33].

[33] EU Inc, Supporting Appendices.

Policy options 2 to make registration of companies, in particular startups quicker and simpler

- Policy option 2a - Create an EU single interface based on BRIS for the registration of 28th regime companies with harmonised bilingual templates (EN/national language) and preventive administrative, judicial or notarial control.
- Policy Option 2b: Option 2a + introducing a deadline (48 hours) and cost ceiling of EUR 100 to complete the registration including the preventive administrative, judicial or notarial control when the standardised template is used by founders as natural persons.
- Policy option 2c - As option 2b but with preventive control by judicial or administrative authorities (excluding notaries) when the standardized template is used by founders as natural persons.

	Unit of measurement	PO 2a	PO 2b	PO 2c	Motivation
Companies and investors					
Ease of doing business	Score 0-5	3	4	4	These options will make it easier and quicker for founders (natural persons) to register a new 28th regime company responding to the call from startups and also from the rest of the business community, and therefore, will have a strong positive impact on the ease of doing business. All options provide for digital only procedures without paper-based alternatives; approach supported by the overwhelming majority of respondents (84%) to the public consultation. All options also ensure the registration with a single interface with harmonised registration form and instrument of constitution/articles of association (template) that vast majority (89%) of all the respondents to the public consultation believed would contribute either a very large extent or large extent to fast and efficient setting up of 28th regime companies. All the options integrate the preventive control in a streamlined registration process resulting in important efficiency gains. Preventive control is key to reducing administrative formalities in the use of company information whether by companies (as e.g. business partners), creditors, or public authorities and to ensuring mutual recognition, and therefore – for the efficient application of the "once-only" principle. It

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					also plays an important role for prevention of abusive or fraudulent letter-box companies linked to tax evasion and/or money laundering. While option 2b leaves it to Member States to decide whether preventive control will be carried out by judicial or administrative authorities or by notaries, option 2c requires judicial or administrative control. Option 2b and 2c would score the highest because they simplify the setting up of companies most and make it quickest to register a 28th regime company by, in addition to the other policy options, setting a deadline and cost ceiling for the whole registration process.
Ease of attracting investment	Score 0-5	2	3	3	These options would provide legal certainty to founders (natural persons) and investors through a harmonised template for an instrument of constitution/Articles of Association and would contribute to ease of attracting investment by removing the need to know 27 different systems. In addition, the bilingual template including EN, would break down the language barrier and greatly facilitate attracting investment both from intra-EU investors as well as from third country investors. Option 2b and 2c would be equally efficient because they both provide for a standardised template while ensuring legal certainty and correct use of templates through the preventive control. A majority of respondents to the public consultation (58%) considered a standardised template of the Instrument of Constitution/Articles of Association should be made mandatory for 28th regime companies, while allowing some flexibility through pre-determined optional clauses. In particular, business associations and companies, citizens (mainly founders and investors) favoured a standardised core for speed of incorporation to be complemented by optional clauses allowing adaptation to different business models.
Administrative burden reduction (benefit)	Score 0-5 Standard Cost Model calculations or n/a	3 **EUR 111,183, 200** Total one-off	4 **EUR 152,87 6,900**	4 **EUR 152,87 6,900**	More than 86% of the respondents to the public consultation considered that the hassle costs (such as unnecessary waiting time, delays) related to the setting up a company were high and almost 68% - very high. 78% considered the administrative burden related to setting up as being high or very high. By providing a single interface with harmonised registration form and instrument of constitution/articles of association (template) for

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		administrative burden reduction for 28th regime companies created over a period of 10 years.	non-notarial countries **EUR 227,828,649** notarial countries with template **EUR 340,256,273** notarial countries in other cases Total one-off administrative burden reduction for 28th regime companies created over a period of 10 years.	non-notarial countries **EUR 227,828,649** notarial countries with template **EUR 340,256,273** notarial countries in other cases Total one-off administrative burden reduction for 28th regime companies created over a period of 10 years	setting up the 28th regime companies, these policy options would strongly reduce the administrative burden for companies as founders would not need to check different requirements and use different interfaces and templates in each Member State where they want to register the company. The workshop participants considered that the introduction of single access point with a standardized template would reduce the time by more than 80% (score 5.3 on a scale of 1-6). They also estimated that this would lower lawyer and other professional adviser costs by almost 80% (score 4.8). The options 2b and 2c are most efficient in reducing administrative burden as the cost of registration and time involved are capped at 48 hours and 100 EUR.
Administrative and adjustment costs	Score 0-5	0	0	0	These options do not entail any administrative or adjustment costs as they cover setting up of a new and optional company legal form and therefore, do not impose any changes on founders (natural persons). The centralised registration system would not apply to domestic conversions (under option 1b) nor to setting up 28th regime company through cross-border conversions, divisions or mergers (under option 1c) as these require specific procedures and rules and cannot be done with a simple

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					standardised template; the cross-border conversions, divisions and mergers are regulated by Directive (EU) 2019/2021.
Public authorities					
Costs	Score 0-5	2 2.7 million IT development cost (100.000 per MS) (one-off cost)	3 2.7 million IT development cost (100.000 per MS) (one-off cost) 900.000 IT development cost (50.00 per 18 notarial MS) (one-off cost)	4 2.7 million IT development cost (100.000 per MS) (one-off cost) 900.000 IT development cost (50.000 per 18 MS) (one-off cost)	To implement these options, as all Member States have already developed the interconnection of their national business registers to BRIS, they would only need to develop the new software needed to receive the company registration data from the single interface through BRIS. [34]. Based on the assumptions taken in the 2023 impact assessment for Directive (EU) 2025/25 on the upgrading of digital company law, it is estimated that all options would incur average cost of EUR 2.7 million to business registers. Under option 2b, those Member States where preventive control is carried out by other authorities than business registers, would need to ensure technical solutions, or adapt the existing ones, to connect the authorities or bodies (notaries) involved in preventive control to the business registers. It is estimated that the cost of connecting the IT system of the authority performing preventive checks (e.g. the national notarial IT system to the single registration system under PO2b or the IT system of authorities which took over from notaries under PO2c) amounts to average EUR 50 000 per affected Member State. In addition, the cost ceiling of EUR 100 to complete the registration when using a standardised template under PO2b and 2c would entail reduced revenue for business registers and other authorities involved in the registration, including preventive control. Such reduced revenue is largely attributable to net increase companies, i.e. companies that would not have been created in absence of a 28th regime, hence suggesting that the company registrations facilitated by the regime would likely offset,

[34] Commission staff working document report on the technical and financial aspects of the Business Registers Interconnection System (BRIS) Directive (EU) 2012/17, SWD(2023) 79 final.

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					at least to some degree, the lost revenue through increased economic activity, job creation, and subsequent tax contributions. PO2c would also result in additional costs as the responsibility for preventive control currently carried out by notaries would need to be taken over by other authorities, impacting the legal systems of those Member States and leading to adjustment costs. By contrast, losses of notarial revenues in Member States with notarial systems are not treated as economic costs impacting the score of PO2c as these revenues would be transferred to other public authorities carrying out preventive controls instead of notaries under this option.
Benefits	Score 0-5	1	1	1	Introducing harmonised bilingual templates under option 2a could make it easier for business registers to process the information submitted to register 28th regime companies. In addition, under option 2c, centralising preventive checks within one administrative or judicial authority could create cost savings for public bodies in those Member States where these checks are currently carried out by a notary and an administrative or judicial authority. However, it is not possible to estimate such savings given that it would be left to the concerned Member States to organize the replacement of notaries in preventive checks.
Economy and society at large					
Functioning of the internal market and competitiveness	Score 0-5	2	3	3	A centralised registration system would directly reduce fragmentation in the single market by providing that 28th regime companies could be set through a centralised EU level system while at the same time fully integrated into Member States' systems and regulatory environment. The participants to the workshop considered that an EU legal form with an EU brand and a single access point with a standardized/single template would result in more startups created in Europe at a scale of 4.3 corresponding to around 60% increase, easier cross-border expansion across the EU at a scale of 5.7 corresponding almost to 80% and improved legal certainty at the scale of 5.5 corresponding to 70%.

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					In particular options 2b and 2c would enhance the competitiveness of the EU economy by providing an affordable and fast setting up of 28th regime companies compared to other jurisdictions. It is often claimed that some startup founders abandon setting up a company in the EU because of regulatory fragmentation and slow and costly procedures and instead set up a company in Delaware. The timeframe for completing the registration process of a Delaware company may vary depending on the procedure to be followed. Standard processing by the Division of Corporations can take approximately 10 working days[35]. However, the state offers a system of expedited filing services for an additional fee: within 24 hours (USD 50), the same day (USD 100), two hours (USD 500) or one hour (USD 1 000)[36]. Delaware law mandates that every business entity maintain a Registered Agent in the state. The agent must have a physical address in Delaware and be authorized to do business in the state. If the business is located in Delaware, it may act as its own registered agent. A list of Delaware Registered Agents is available on the Division of Corporations website. The total cost of registration may vary depending on the selected services. The baseline is the state filing fee for the incorporation document, which is USD 109 for a Certificate of Incorporation[37]. Other costs include the annual fee for a registered agent, which can range typically from USD 50 to over USD 300 depending on the service packages, and the annual franchise tax which is a flat USD 300 for LLCs and a minimum of USD 175 for corporations[38].

[35] It is not fixed by law.

[36] Delaware Division of Corporations, Certification Memo.

[37] Delaware Division of Corporations, Certificate Type, August 2024.

[38] The amount depends on the number of shares issued.

Policy options 3 to ensure once-only submission of information in the context of registration

- Policy option 3a - In the context of the registration, ensure that the information about the company is transferred from the business register to the authority in charge of issuing the TIN, to social security authority and to the beneficial ownership register, with any beneficial ownership information as part of the template, without the 28th regime company needing to submit it again ("once-only principle").
- Policy option 3b - Option 3a + the 28th regime company would obtain the TIN from the relevant authority as part of the registration process, with any additional information needed to obtain the TIN as part of the template.
- Policy option 3c - Option 3b + the 28th regime company would obtain the VAT identification number from the relevant authority as part of the registration process (unless more information is needed).

	Unit of measureme nt	PO 3a	PO 3b	PO 3c	Motivation
Companies and investors					
Ease of doing business	Score 0-5	2	3	4	These policy options would simplify setting up of 28th regime companies and in that way, would also contribute to the ease of doing business in the EU. Policy option PO3c would score the highest as not only the company information would be shared with tax and social security authorities, and beneficial ownership registers, but the company could also get the TIN and VAT identification numbers, leading therefore to biggest simplification for the founders. There was strong confirmation from respondents to the consultation (89%) that direct sharing of company information with other authorities relevant for registration (once-only principle) would contribute to a fast and efficient setting up of 28th regime companies. 90% (836) of respondents who thought that resubmission was a barrier, indicating they needed to resubmit to relevant authorities in the context of TIN, 67% to authorities for social security obligations and 55% to the relevant authority related to anti-money laundering. The VAT identification number was also seen as relevant – the necessity to apply separately for obtaining a VAT identification number per country was mentioned by some respondents

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					to the consultation and some stakeholders in bilateral contacts. In addition, those respondents were in favour of the immediate issuance of a TIN/VAT identification number upon initial registration of the company.
Ease of attracting investment	Score 0-5	0	0	0	n/a
Administrative burden reduction (benefit)	Score 0-5 Standard Cost Model calculations or n/a	2 EUR 26,316,508 Total one-off administrative burden reduction for 28th regime companies created over a period of 10 years.	3 EUR 26,316,508 Total one-off administrative burden reduction for 28th regime companies created over a period of 10 years.	4 EUR 28,718,065 Total one-off administrative burden reduction for 28th regime companies created over a period of 10 years.	Companies would already save thanks to the introduction of the once-only-transmission of information between registers and tax and social security authorities and beneficial ownership registers under PO3a as they would not have to resubmit documents which they already provided to the register but the savings would be highest under PO3c where they would be able to receive TIN and VAT identification number without additional separate submissions (but with information being already part of the original template), although in some cases tax authorities might need to ask companies for additional information, diminishing this benefit.
Administrative and adjustment costs	Qualitative score 0-5	0	0	0	n/a
Public authorities					
Costs	Score 0-5	1	2	2	To implement these options, Member States would need to ensure a technical solution for the automatic transmission of the company information. This would not concern those Member States where this

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					technical solution is already available for obtaining the tax identification number, and especially those 11 Member States where the TIN is based on, or technically related to, the business registration number. It would concern those Member States where beneficial ownership register is a separate register and is not closely linked to the business register (10), those where the VAT identification number is not technically related to either the company registration number or TIN (9) and in those where the attribution of the social security number of the company as employer by social security authorities is not part of the company registration process (14). Overall, it is assumed that given the already existing level of digitalisation of public authorities, this should not entail extra IT costs or only marginal ones due to the possibility to exchange data through standard APIs. As regards transmission of information between business registers and beneficial ownership registers, those costs should diminish further thanks to interconnection between Business Registers Interconnection system BRIS and BORIS, following the Upgrading digital company law Directive (EU) 2025/25.
Benefits	Score 0-5	1	2	3	These policy options, by ensuring that the information about a 28th regime company is transferred from the business register to the authority in charge of issuing the TIN, social security authority and the beneficial ownership register directly by business registers would overall mean that these authorities would not have to ask for and examine additional documents from companies, which should result in some cost savings e.g. in time and handling company information. In principle, PO3c would bring highest benefits for authorities as most company information would be directly transferred (also information required by beneficial ownership registers and for TIN and VAT purposes), although in some cases tax authorities might need to ask companies for additional information, diminishing this benefit.
Economy and society at large					
Functioning of the internal	Score 0-5	2	3	4	These policy options – and in particular PO3c - would simplify setting up of 28th regime companies and in that way, would also contribute to

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market and competitiveness					encouraging founders to set up in the EU and to making EU a more attractive place for business. However, as the once-only transmission would take place during the setting up phase and therefore, at national level in a particular Member State, impact on functioning of the internal market as such would be smaller.

Policy options 4 to facilitate closure (liquidation) of the company

- Policy option 4a – Ensure that all relevant filings by the liquidator for closure outside of insolvency are transferred from business register to other authorities ("once-only principle") and online filing of claims from creditors.
- Policy option 4b - Option 4a + simplified liquidation procedure (outside of insolvency) for no assets/no debts to be concluded within a specific deadline.
- Policy option 4c - Option 4b + simplification of insolvency procedures thanks to their full digitalisation

	Unit of measurement	**PO 4a**	**PO 4b**	**PO 4c**	**Motivation**
Companies and investors					
Ease of doing business	Score 0-5	2	3	4	Given a high failure rate of startups, efficient closure is important for the overall ease of doing business in the EU and development of a dynamic startup ecosystem. These policy options would have a positive impact on ease of doing business in the EU as they would make it possible for founders to more efficiently close companies – through simplified and digitalised procedures – and therefore, to more quickly direct their resources (human and financial) into new entrepreneurial projects. Digitalising the relevant procedures as under PO4a and PO4c would respond to the needs of stakeholders, with 63% of respondents thinking there was insufficient availability of digital tools for company closure, and many respondents (in particular founders and investors) calling for a fast-track strike-off for solvent companies and better harmonisation and

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					interoperability in the EU. PO4b would score higher as it would also provide for a simplified procedure for simple closure cases outside of insolvency, and PO4c would score highest as it would also digitalise closure of insolvent companies. The full digitalisation of insolvency procedures would reduce the cost of failure; in the open public consultation, simplification and digitalisation of insolvency procedures was the most mentioned call (42%) in the insolvency area.
Ease of attracting investment	Score 0-5	1	2	3	By making it possible for founders to more efficiently close inactive companies through simplified and digitalised procedures, these policy options would also encourage investors to invest into 28th regime companies knowing that their capital will not be trapped but could be reinvested efficiently and quickly after the closure of a company while making it easier to calculate the financial risk of their investments. PO4c would score highest as it would allow for more efficient closures of both solvent and insolvent companies.
Administrative burden reduction (benefit)	Score 0-5 Standard Cost Model calculations or n/a	2	3	4	Companies would already save on the administrative burden of multiple filings to national authorities and in particular to tax and social security authorities in closure cases outside of insolvency under PO4a. Participants in the workshop for companies expected a 3,8 out of 5 corresponding to almost 60% reduction in time spent in case the information would be automatically transferred to the other authorities. Savings would be higher for companies wanting to close without assets and debts thanks to a harmonised simplified procedure under PO4b, which would result in reduced compliance costs and significantly shorten the time of the closure procedure. Savings would be overall highest for companies with PO4c thanks to – in addition – savings due to digitalised procedure also for closure of insolvent companies.
Administrative and adjustment costs	Qualitative score 0-5	0	0	0	n/a
Public authorities					

Costs	Score 0-5	1	2	3	To implement option PO4a, Member States would need to ensure a technical solution for the automatic submission of the company information from the register to other authorities, but it is expected that this should not entail extra IT costs or only marginal ones due to the possibility to exchange data through standard APIs. Introducing a new simplified procedure under PO4b should have only small costs related to training the responsible employees in the authorities about this new procedure. In addition, as regards costs of digitalisation of insolvency proceedings under PO4c, no or little additional costs could be expected, since the work on digitalisation of judicial procedures in Member States, including insolvency procedures, are already ongoing and usually cover all aspects of judicial proceedings not only their specific parts or aspects, such as insolvency or restructuring. Some costs can be expected for development and maintenance of platforms for electronic auctions systems in insolvency (which already exist in 14 Member States for online judicial auctions but are only used by 3 MS for insolvency cases). On the basis of IT expert advice, it is assumed that development cost for those Member States that do not have a judicial platform and adjustment costs for those that are not using it for insolvency cases would sum up to between EUR 185 000 to 370 000. All 27 Member States' maintenance costs would be EUR 324 000.
Benefits	Score 0-5	1	2	3	Overall, authorities and in particular business registers would benefit from some reduced administrative inefficiencies linked to inactive and dormant companies left in national registers as the policy options would digitalise and simplify closure procedures related to and outside of insolvency and therefore, would make it possible for founders to close companies more quickly. PO4c would score highest providing digital simplifications for both solvent and insolvent companies. In addition, authorities under all options – but to most extent in PO4c – might benefit from some cost savings e.g. in time and handling of company information thanks to digitalisation of the procedures.

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Economy and society at large					
Functioning of the internal market and competitiveness	Score 0-5	2	3	4	By making it possible for founders to more efficiently close inactive solvent and insolvent companies – through simplified and/or digitalised procedures – these policy options would allow founders to more quickly direct their resources (human and financial) into new projects and therefore, would have also a positive impact on competitiveness in the EU. According to the Draghi report, EU companies currently face higher restructuring costs compared to their US peers, which places them in a position of significant disadvantage in highly innovative sectors; also according to responses to the consultation, the costs of closure are considered higher in the EU than in the US, where the failure is rather viewed as a learning experience that encourages risk-taking and entrepreneurial activity. PO4c would score highest as it covers both solvent and insolvent companies. While the once-only transmission of information under PO4a would focus on exchanges between authorities at national level, PO4b would harmonise the simplified procedure for closure outside of insolvency and PO4c would provide simplifications to the insolvency procedure through digital tools, and therefore, would both have a positive impact on functioning of the internal market.

Policy options 5 for attracting talent

- Policy option 5a - Possibility for 28th regime companies to set up employee stock ownership plans (ESOPs) and issue classes of shares with distinct voting rights.
- Policy option 5b - Option 5a + introduce an optional common employee stock ownership scheme (EU-ESO) for 28th regime companies.
- Policy option 5c - Option 5b + provide harmonised timing for the taxation of employee stock options granted in the context of the EU-ESO

	Unit of measureme nt	**PO 5a**	**PO 5b**	**PO 5c**	**Motivation**

Companies and investors					
Ease of doing business	Score 0-5	1	3	4	These policy options have a positive impact on ease of doing business as they would, by facilitating the use of ESOPs, make it easier in particular for EU startups and scaleups to attract and retain talent by being able to offer competitive benefits to their staff. In the public consultation on the European Innovation Act, 60% of respondents agreed or strongly agreed that difficulties to offer globally competitive benefits and remuneration, including employee ownership schemes, are preventing innovative companies in the EU from attracting and retaining talent (with only 4% disagreeing and no respondent strongly disagreeing). PO5a would have a moderately positive effect on companies' ease of doing business as it would set a basic framework for all 28th regime companies to set up ESOPs and enable those companies to use them throughout the EU. 28th regime companies would assess and choose the most attractive scheme for them, also considering differences in taxation between Member States, without being limited by fragmented national corporate legal requirements on available ESOP types and structures, including the choice of distinct voting rights of employee shares. PO5b would further improve the ease of doing business as it goes beyond enabling ESOPs by providing for a common scheme (EU-ESO) that 28th regime companies could use across the EU, based on stock options, which according to feedback from both companies and investors are the most important instruments for startups and scaleups to facilitate employee stock ownership. 54% of respondents to the public consultation on the European Innovation Act agreed or strongly agreed that the lack of harmonised conditions for employee stock option schemes across EU Member States prevents innovative companies in the EU from attracting and retaining talent (with only 3% disagreeing or strongly disagreeing). PO5c would achieve the best results as it also harmonises the timing of taxation that employees participating in the EU-ESO would face. In a workshop with selected companies, a large majority of participants considered that a common employee stock ownership scheme including

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					harmonised taxation would have a strong positive impact on the ability of companies to attract or retain qualified employees, on cross-border scaling of businesses in the EU and on legal certainty (the latter aspect receiving unanimously the highest possible score of 6). Specifically on taxation, 63% of respondents to the public consultation on the European Innovation Act agreed or strongly agreed that aligned tax regimes across Member States as regards the timing and type of taxation for employee stock options would be a positive step towards tackling these challenges (with only 3% disagreeing and no respondent strongly disagreeing). Specifically on the timing of taxation, a taxation at the point of sale was considered the most effective timing in a targeted survey for business associations[39], with more than 60% of respondents considering it highly effective in contributing to attracting and retaining talent. Taxation at the point of sale would mean that an employee would not have to pay taxes on stock options when they are granted or exercised but only when stocks received through these options are sold, which is the first time the employee would receive cash or liquid proceeds from their options. Taxation at the point of sale therefore avoids a 'dry tax charge' on employees, i.e., the taxation of gains before a taxpayer has transformed these gains into liquid proceeds, making employee stock options significantly more attractive and improving their uptake by employees.
Ease of attracting investment	Score 0-5	1	2	4	All three policy options also impact the ease of attracting investment. Feedback from startups and venture capital investors alike is that employee stock ownership schemes are a crucial indicator for investors for assessing a company's ability to attract and retain talent, which is typically the most or among the most important assets of young innovative businesses. Furthermore, employee stock ownership schemes are by their very nature investment tools as they incentivise employees to become shareholders. PO5a would help companies to a moderate extent in offering attractive ESOPs as it removes existing restrictions on the type and structure,

[39] Survey conducted by the EIA contractor.

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					including voting rights of employee shares, in some Member States. PO5b would have a stronger positive effect in the sense that the EU-ESO would provide a common ESOP that is recognisable to employees and investors alike, improving the perceived value of stock options by employees and the possibility for companies to signal their ability to attract and retain talent to investors. PO5c would improve the ease of attracting investment in the strongest way. **Avoidance of 'dry tax charges'** due to a timing of taxation at the point of sale would make it significantly more attractive for employees to actually exercise options they have been granted and the harmonised timing would ensure that such dry tax charges are avoided in all Member States, assuring investors that a company using the EU-ESO has a mechanism in place that facilitates retaining key staff no matter where they are placed in the EU. In a workshop with selected companies, a large majority of participants considered that a common employee stock ownership scheme including harmonised taxation would have a strong positive impact on a more attractive environment for investors.
Administrative burden reduction (benefit)	Score 0-5 Standard Cost Model calculations or n/a	1 EUR 2,767,233 Total administrative burden reduction for the estimated up-take of employee stock ownership schemes by 6.4% of 28th regime	2 EUR 6,918,083 Total administrative burden reduction for the estimated up-take of employee stock ownership schemes	3 EUR 12,971,406 Total administrative burden reduction for the estimated up-take of employee stock ownership schemes	Based on feedback from the open public consultation on the European Innovation Act, the independent expert report on the European Innovation Act, results of a targeted survey with business associations and a workshop with companies, it is estimated that all three options will lead to administrative burden reduction. It is expected that these policy options would reduce the cost of professional advice on ESOPs, in particular regarding legal requirements and the preparation of necessary documents, which typically accounts for a large majority of the costs to set up an employee ownership plan. Average internal company time spent, including the consultation of professional advice, implementation of advice received and information of employees, is not estimated to be significantly reduced by any of the policy options considering that most of the administrative burden would be outsourced to professional advisers. The option 5c would reduce burdens most because 28th regime companies would be provided with a common, easy-to-use ESOP scheme with a harmonised timing of taxation, allowing many of them to rely on low-cost professional advice to set up the scheme. Option 5b would still

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		companies over a period of 10 years.	by 8% of 28th regime companies over a period of 10 years.	by 10% of 28th regime companies over a period of 10 years.	reduce advisory costs due to the common ESOP scheme it provides, but not affect the costs of tax advice as all taxation aspects would be according to national laws. Option 5a would moderately reduce costs, as 28th regime companies would be able to use the same ESOP in all Member States. Due to the lack of a common ESOP scheme as well as different tax treatment and tax incentives in Member States, however, 28th regime companies would still need more extensive professional advice when setting up an ESOP.
Administrative and adjustment costs	Score 0-5	1	1	1	All three options would introduce only limited one-off adjustment costs for those companies converting into 28th regime companies and which have already used ESOPs under their previous legal form in accordance with national laws. For those 28th regime companies that would opt to make use of the EU-ESO instead of the ESOP put in place under their previous legal form, adjustment costs to familiarise themselves with this ESOP newly available to them would be slightly higher. Similarly, a parent company creating a 28th regime subsidiary and which would like to use the EU-ESO instead of an existing ESOP put in place at the parent company level would need to understand this scheme. As this scheme would be fully optional and not replace the possibilities for setting up another ESOP, the score for administrative and adjustment costs is the same for options 5a and 5b. PO5c would equally not add any adjustment costs as such as it would simplify the rules for taxation of the EU-ESO by harmonising the point of taxation.
Public authorities					
Costs	Score 0-5 Standard Cost Model calculations	0	0	2 EUR 61,000,000 Total negative liquidity impact	PO5a and PO5b do not affect the treatment of employee stock ownership schemes by tax authorities. Ownership schemes offered by 28th regime companies would follow the same national taxation rules as schemes set up by other companies, and the taxation treatment of stock option schemes set up by such other companies could also be applied to EU-ESOs set up by 28th regime companies, leading to no significant costs – in particular no tax losses – for tax authorities. PO5c affects the treatment of employee stock ownership schemes by public authorities,

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				on tax revenues over the first 10 years	because it foresees the deferral of taxation to the moment of disposal of the underlying shares where 28th regime companies use the EU-ESO. Therefore, the treatment may be different from national legislation on the taxation of employee stock options, not considering that the taxable event has accrued until the moment of the sale. PO5c thus comes with negative liquidity effects for EU tax authorities (with corresponding positive liquidity effects for employees) due to the tax deferral that occurs in the context of the common EU-ESO. The effect is not expected to have a great impact on the overall tax revenues of Member States, as the measure does not propose any modification of the characterization of the income or the tax applied. In addition, some Member States already offer schemes on employee stock options where taxation is deferred to the point of sale, as it is proposed in PO5c, in which case this option will not introduce a different timing of taxation. Under the estimated take-up rate for the EU-ESO of 10% of 28th regime companies and the assumption that 20% of those companies' employees actually exercise their options, receiving an equivalent of 10% of their compensation through the EU-ESO, the total negative liquidity effect for tax authorities within the first 10 years would be EUR 61 000 000.
Benefits	Score 0-5	0	0	0	As for the costs, PO5a and PO5b would not affect tax authorities in a beneficial way, given that these options do not require any change in the treatment of employee ownership schemes compared with the status quo. PO5c, apart from the negative liquidity effect described above, is also not expected to have any further cost-benefit impact on public authorities and budgets.
Economy and society at large					
Functioning of the internal market and competitiveness	Score 0-5	2	3	4	All these options would have a positive impact on the internal market, in particular PO5b, which would create a common ESOP scheme for 28th regime companies that is recognisable to employees and investors, and even more so PO5c, which would also harmonise the timing of taxation for employees participating in the EU-ESO. This should improve the practical feasibility and scalability of ESOPs used by 28th regime

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					companies within the single market. The improvement would be in particular noticeable given the current fragmentation of national rules on ESOPs and on their taxation, and the lack of harmonisation related to ESOPs at EU level, forcing companies to adopt different ESOP designs per country. The policy options and in particular PO5b and PO5c would also have a positive impact on the competitiveness of EU businesses as having a harmonised system for 28th regime companies would allow those companies to better compete for top talent with other jurisdictions such as the US. The current ease of setting up stock option-based ESOPs in the US and the favourable treatment of stock options qualifying as 'incentive stock options' under federal tax laws is one of the important reasons for founders to set up or move their companies there.

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Policy options 6 to provide a flexible governance and capital regime for founders and investors

- Policy option 6a - Create a flexible governance system, provide simple and fully digital procedures for increasing capital and issuing shares and enable the use of modern early-stage financing instruments like SAFEs.
- Policy option 6b - Option 6a + 0 or EUR 1 minimum capital but no paid-in share capital for incorporation of 28th regime companies and harmonised creditor protection safeguards in addition to capital maintenance rules.
- Policy option 6c - Option 6b + common minimum share capital of EUR 5.000 for incorporation of 28th regime companies with harmonised creditor protection safeguards based primarily on capital maintenance.

	Unit of measurement	PO 6a	PO 6b	PO 6c	Motivation
Companies and investors					
Ease of doing business	Score 0-5	2	4	3	All these options will generate tangible efficiency gains by simplifying governance and capital increase procedures and by introducing digital tools and procedures throughout the operational phase of the 28th regime company and will thus have a strong positive impact on the ease of doing business. In addition, policy option 6b will combine the procedural simplifications and digitalisation under PO6a with the abolition of mandatory paid-in minimum share capital, having therefore a stronger impact than option 6c, which improves legal clarity through harmonisation of minimum capital requirements but requires a significant upfront capital commitment of EUR 5 000. As to the minimum share capital rules, they create indirect economic and opportunity costs that are particularly relevant for early-stage founders. While from a strict accounting perspective, minimum capital requirements do not constitute a direct economic cost, as founders receive shares of equivalent value in exchange for the capital contributed, for early-stage companies, minimum capital requirements operate as a binding liquidity constraint rather than a neutral transfer. Evidence from stakeholder consultations indicates that at the moment of

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					incorporation mandatory minimum capital is often temporarily immobilised and cannot be freely allocated; it is therefore treated as an indirect cost (opportunity cost) for founders, reflecting foregone alternative uses of funds, delayed market entry and potential deterrence effects on entrepreneurship. The results of the public consultation (52% of the respondents thought that minimum capital is not a necessary protection for creditors) and academic research[40] suggest that minimum capital is increasingly viewed as an inadequate creditor protection mechanism in early-stage companies. Still, some stakeholders (e.g. notaries, some trade unions) consider that a minimum capital requirement is necessary to ensure the seriousness of a business and to avoid non-viable companies being set up. Both options 6b and 6c provide therefore for creditor protection but PO6b, with the abolition of mandatory paid-in minimum share capital, would be the most efficient in terms of contributing to the ease of doing business. While a single EU-wide minimum capital requirement for all 28th regime companies under option 6c would reduce legal complexity compared to the current situation, it may generate indirect or opportunity costs in those Member States where existing national private limited company forms require a lower minimum capital than the EUR 5 000 set under this policy option. In these Member States, founders opting for the 28th regime would be required to commit a higher amount of capital upfront than under comparable national forms, potentially increasing liquidity constraints at incorporation or disincentivising them from opting for the 28th regime.
Ease of attracting investment	Score 0-5	2	3	2	All the policy options will make it easier to attract investment by addressing the important barriers identified by stakeholders. In this respect, 84% of the respondents to the public consultation considered that complex and non-flexible rules e.g. governing capital increases create significant barriers and around 73% considered that insufficient

[40] Kraakman/Renier et al., The Anatomy of Corporate Law, a comparative and functional approach, 23 March 2017, section 5.2.2.1; Bachmann/Eidenmüller et al., Rechtsregeln für die geschlossene Kapitalgesellschaft, ZGR-Sonderheft 18, 2012, p. 156.

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					availability of digital tools and procedures to invest in companies was a problem. Furthermore, respondents to the public consultation and participants in the workshops highlighted that investors value legal simplicity, speed of execution and predictability, particularly in early-stage and cross-border investments. Policy option 6a improves investment efficiency by simplifying capital increases, enabling fully digital governance, and allowing the use of modern early-stage instruments (such as SAFEs). It reduces transaction friction and thereby lowers legal and coordination costs for investors. However, the stakeholder feedback indicates that companies continue to face significant frictions at the incorporation stage where minimum capital and the need to pay it into a bank account opened before incorporation apply. Under option 6b, the removal of mandatory paid-in capital directly improves companies' ability to engage investors quickly and flexibly, avoiding delays to deal execution, complicated onboarding or the need for interim structures until incorporation. By contrast, option 6c, while offering harmonisation benefits, introduces a uniform capital threshold that may be perceived as misaligned with risk-based, milestone-driven investment models, particularly at seed stage. A large majority of companies, founders and investors who replied to the open public consultation (almost 70%) favoured no minimum capital or a symbolic (e.g. EUR 1) minimum capital amount.
Administrative burden reduction (benefit)	Standard Cost Model calculations or n/a	2	4	3	All the policy options would reduce the time spent in preparation of physical meetings and documentation and of coordination with intermediaries per financing or governance event for founders, directors, and investors by enabling fully digital execution and streamlined identification procedures under PO6a. They would also reduce or eliminate several recurring costs commonly associated with governance and capital operations, including costs linked to physical general meetings (travel, accommodation, venue or representation costs); repeated need for legal adviceor notarial involvement for routine capital increases; external advisory costs to adapt early-stage instruments (e.g. SAFEs or convertibles) to restrictive national capital regimes. Currently, the duration of a financing transaction that includes a standard capital increase where procedures now require physical meetings, notarisation,

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					and sequential filings can take 30 calendar days, particularly in cross-border situations. In more complex cases involving foreign investors (e.g. issuance of national TINs, physical identification, or notarial formalities), delays of several weeks are currently common. These measures, common to all policy options, are estimated to generate per-operation/round efficiency gains of approximately EUR 1 100, primarily through reduced time delays, lower administrative burdens, and improved legal certainty for founders and investors. These benefits are expected to be particularly significant for cross-border financings and early-stage investment rounds. In addition, the removal of the obligation to pay in minimum share capital at the moment of incorporation under option 6b is estimated to create further cost savings. In Member States where payment of minimum share capital requires proof of deposit prior to registration, founders are typically obliged to open a bank account in the company's name before incorporation can be completed. A significant share of respondents (70%) assessed these requirements as causing substantial delays and unnecessary costs, especially where founders or investors are located in different Member States. Stakeholder feedback from workshops and interviews also confirms that this step is frequently one of the most time-consuming elements of the incorporation process, due to stringent AML/KYC requirements, extensive documentation requests, internal bank compliance reviews and, in cross-border cases, the need for physical presence, local representatives or certified translations. By removing the need to pay in capital at incorporation, policy option 6b directly addresses this bottleneck, generating both immediate time savings and direct cost reductions, while also alleviating liquidity constraints at the earliest stage of business activity. It is estimated that PO6b would generate additional direct efficiency gains of approximately EUR 400 per company. These savings would be in Member States where paid-in minimum share capital is currently required at the moment of incorporation or registration.

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					By contrast, PO6c is not assessed to generate additional administrative burden reductions compared to PO6b. While it improves legal clarity through harmonisation, the introduction of a common minimum capital requirement maintains certain incorporation-related administrative steps and therefore limits further burden reduction. Accordingly, from a company perspective, PO6b delivers the highest administrative burden reduction.
Administrative and adjustment costs	Qualitative score 0-5	1	1	2	Policy Option 6a introduces only very limited one-off adjustment costs for companies opting for the 28th regime related to understanding the new optional governance framework and, where relevant, adapting internal processes to use fully digital meetings and simplified capital procedures for those existing companies which decide to convert into 28th regime ones. Policy Option 6b does not create additional administrative or adjustment costs as it removes existing compliance obligations, notably those linked to paid-in minimum share capital at incorporation and does not introduce any new procedural, reporting or organisational requirements for companies. Finally, PO6c introduces limited additional adjustment costs through the introduction of a common minimum share capital requirement, entailing new administrative steps for companies opting for the 28th regime, in particular in Member States which currently do not require a minimum capital for private limited liability companies.
Public authorities					
Costs	Score 0-5	1	1	2	Policy Option 6a entails limited and predominantly one-off adjustment costs for competent authorities involved in governance and capital-related operations and professionals exercising public or quasi-public functions in company law procedures, in particular notaries, as the introduction of fully digital governance, online shareholders' and directors' meetings and simplified digital procedures for capital increases and share issuance requires adaptations to existing workflows, guidance and IT tools used. By contrast, no changes are expected for business

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					registers as filing obligations, registry updates and interconnection mechanisms are not affected. PO6b does not increase costs for authorities and other professionals mandated by law compared to PO6a as the removal of mandatory paid-in minimum capital does not require new supervisory structures or additional enforcement mechanisms. Policy option 6c introduces a uniform EU-level minimum capital requirement and therefore, requires public authorities to always perform capital-related checks at incorporation and results in limited and mainly one-off adjustment costs higher than under option 6b.
Benefits	Score 0-5	1	3	2	PO6a generates moderate efficiency gains for public authorities by simplifying the handling of governance and capital-related procedures through digital means and resulting in less paper-based documentation and sequential processing and therefore lower administrative workload per transaction. Over time, the increased use of standardised digital procedures is expected to improve processing speed, reduce error rates and facilitate cross-border interactions, partially offsetting initial adjustment costs. Eliminating capital-related verification steps at incorporation, such as checking bank certificates, proof of deposit or compliance with minimum capital rules, for 28th regime companies under PO6b delivers more efficiency gains for public authorities, in particular for those Member States which company legal forms currently have higher minimum capital requirements by reducing administrative handling and lowering the risk of errors or delays linked to bank-related documentation. Over time, PO6b is expected to reduce processing time per incorporation. In addition, the benefits of both PO6b and PO6c for public authorities stem from harmonisation and legal clarity, as a single rule on minimum capital reduces interpretative complexity compared to divergent national thresholds which are the case under PO6a. However, because capital-related administrative steps remain, the overall efficiency gains are lower under PO6c than under PO6b.

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Economy and society at large					
Functioning of the internal market and competitiveness	Score 0-5	2	3	2	Policy Option 6a contributes to improving the functioning of the internal market and to competitiveness by enabling fully online meetings, digital capital increases and the use of standardised early-stage instruments (e.g. SAFEs), which reduces transaction frictions and coordination costs for companies and investors operating across Member States. Stakeholders highlighted in the public consultation and workshops that divergent national rules on shareholder meetings, capital increases and early-stage financing instruments create legal uncertainty and discourage cross-border activity. Policy Option 6b generates the strongest positive effect on the internal market and EU competitiveness. The consultation responses and workshop discussions consistently identified minimum capital requirements and related bank-account and AML/KYC procedures as material barriers to fast company creation and cross-border entrepreneurship, disproportionately affecting startups and slowing market entry. By removing the obligation to pay in minimum capital while introducing harmonised creditor safeguards, PO6b directly reduces structural entry barriers that currently differ across Member States and distort founders' and investors' choices, promotes a more uniform entrepreneurial environment, facilitates faster scaling across borders and reduces incentives for regulatory arbitrage. In this way, PO6b also contributes to competitiveness of the EU and makes it a more attractive place to set up companies as compared with other jurisdictions. Policy Option 6c improves internal market functioning primarily through legal harmonisation, by introducing a single minimum capital requirement for 28th regime companies. Stakeholders acknowledged in consultations that a uniform rule enhances predictability and reduces due diligence costs for founders and investors operating across multiple Member States. However, both OPC feedback and workshop discussions highlighted concerns that a fixed EU capital threshold may reduce flexibility for early-stage companies in jurisdictions where symbolic or zero minimum capital currently applies. In these cases, PO6c may

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					reintroduce liquidity constraints and dampen entry incentives, partially offsetting the benefits of harmonisation.

Policy options 7 to facilitate exit options

- Policy option 7a – Ensure that transfers of shares of 28th regime companies can be carried out fully digitally.
- Policy option 7b – Option 7a + no requirement to involve intermediaries in share transfers of 28th regime companies.
- Policy option 7c – Option 7b + possibility for Member States to grant access to public equity markets to 28th regime companies.

	Unit of measurement	**PO 7a**	**PO 7b**	**PO 7c**	**Motivation**
Companies and investors					
Ease of doing business	Score 0-5	2	3	4	Across the three policy options, a clear improvement in ease of doing business can be observed, with each option progressively addressing structural sources of complexity in share-transfer and exit processes. Policy Option 7a delivers a first, tangible efficiency gain by enabling fully digital execution of share transfers. Stakeholder feedback from the public consultation and workshops consistently highlights that physical presence requirements, travel, consular formalities and paper-based procedures represent a significant operational burden, particularly in cross-border situations. By eliminating these in-person steps, PO7a reduces both active time spent by companies and overall transaction timelines, thereby contributing to making it easier to do business, although substantive national requirements and mandatory intermediary involvement remain unchanged. Policy Option 7b significantly strengthens these gains by removing the mandatory involvement of intermediaries, notably notaries, in share transfers for 28th regime companies. It addresses one of the most frequently cited obstacles to ease of doing business in stakeholder

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					consultations: regulated notarial fees, procedural rigidity and scheduling delays that apply irrespective of transaction complexity. PO7b therefore delivers a substantial reduction in recurring transaction costs, legal uncertainty and procedural delays, making it the most effective option for simplifying day-to-day ownership changes during the operational life of a company. Policy Option 7c would have most impact from an ease-of-doing-business perspective because it also addresses the exit phase. By allowing Member States to grant 28th regime companies access to public equity markets without requiring conversion into a national public company form, PO7c preserves the 'EU brand' of the 28th regime company at the moment of an IPO. While the incremental benefits of PO7c primarily affect a smaller subset of companies, they contribute to the ease of doing business as PO7c reinforces the credibility and attractiveness of the 28th regime as a legal framework throughout the full lifecycle of a company.
Ease of attracting investment	Score 0-5	2	3	4	Policy Option 7a delivers a positive efficiency effect on investment attractiveness as by enabling fully digital share transfers, it reduces procedural friction and execution delays in investor entry and exit, particularly cross-border. Evidence from the public consultation and targeted workshops indicates that companies see lengthy and formalistic share-transfer procedures as a source of investors' reluctance to invest in them, especially with regard to minority stakes and follow-on investments. Policy Option 7b generates a larger efficiency gain by also removing the involvement of intermediaries in share transfers, which significantly reduces transaction costs, waiting times and legal uncertainty around investor exits and secondary transactions. A substantial share of respondents to the public consultation considered notarial requirements and value-based fees as obstacles to investment, particularly with regard to startups and scaleups with frequent ownership changes. Workshops with founders and scaleups also confirmed that rigid exit mechanics negatively affect negotiations with investors. Policy Option 7c is the most efficient as it also addresses exit conditions by allowing Member States to enable access to public equity markets without a mandatory

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					conversion into a national legal form. Participants in workshops confirmed that forced conversion into national public company forms adds legal complexity and weakens legal continuity at the point of exit, even if conversion costs themselves are relatively small compared to overall IPO costs.
Administrative burden reduction (benefit)	Standard Cost Model calculations or n/a	3	4	4	Policy Option 7a already reduces administrative burden for investors and companies by providing for fully digital share transfers, which reduces time spent, travel, and ancillary costs linked to in-person formalities, which in turn were identified by stakeholders as a frequent source of friction. However, it is PO 7b which delivers the strongest reduction in administrative burden for investors and companies, as it also removes one of the main compliance cost drivers for share transfers. Evidence from the public consultation and stakeholder workshops indicates that mandatory intermediary involvement (notaries or equivalent intermediaries) constitutes a significant source of administrative burden, particularly for SMEs and startups operating cross-border. PO 7c, by allowing Member States to grant 28th regime companies access to public equity markets, helps companies avoid the need for legal conversion. Stakeholder feedback confirms that this presents an important benefit to late-stage scaleups and other IPO-ready companies, despite the costs of legal conversion being low when compared with the overall costs of going public. However, no significant additional reduction in administrative costs is assumed here given that this benefit would arise only for the small group of IPO-ready companies and is not easily monetisable.
Administrative and adjustment costs	Qualitative score 0-5	1	1	1	Policy Option 7a introduces limited adjustment costs linked to the move towards a fully digital execution of share transfers and mainly due to familiarisation with digital workflows, electronic identification or authentication tools. These costs are one-off and small given the already ongoing digitalisation trends in many Member States. Importantly, PO7a does not introduce any new substantive compliance obligations for

					companies, nor does it require changes to governance structures or record-keeping rules. While PO7b removes the mandatory intermediary involvement and therefore, reallocates responsibility for evidencing share ownership to companies, this does not constitute a new compliance obligation. Under PO7b, companies would need to maintain a reliable, up-to-date and accessible record of shareholders, capable of evidencing ownership, issuing shareholding certificates where required, and ensuring transparency; however, maintaining an accurate shareholders' register is already an obligation in all Member States. The additional effort for companies to verify and record transfers and update the register is assumed to be limited and absorbed within existing governance arrangements. Finally, Policy Option 7c does not impose new obligations on companies unless a company voluntarily decides to pursue a listing. Any preparatory adjustments linked to IPO readiness (e.g. enhanced governance or disclosure systems) are inherent to the listing decision itself and arise in any case, irrespective of corporate legal form.
Public authorities					
Costs	Score 0-5	1	2	2	Policy Option 7a would entail limited one-off adjustment costs for public authorities, including notaries or other intermediaries, mainly linked to ensuring digital infrastructures with authentication tools that can support fully digital share-transfer procedures, to adapting workflows to online service provision, potentially requiring training, procedural updates and IT adjustments. According to the public consultation, around 80% of respondents identified lack of digitalisation as causing practical difficulties to a large or very large extent, suggesting that existing systems already generate inefficiencies. Under Policy Option 7b, the removal of mandatory intermediary involvement does not introduce any new filing, supervisory or enforcement tasks for business registers or courts but there would be reduction in activity and revenue loss for intermediaries, including

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					notaries, in those Member States where they are involved in share transfers. Policy Option 7c does not impose additional administrative obligations on public authorities as any supervisory or regulatory costs linked to IPOs already exist under EU and national securities law and would arise irrespective of the corporate legal form used.
Benefits	Score 0-5	1	1	1	PO7a would generate moderate efficiency gains for public authorities by reducing the handling of paper-based procedures, physical appointments, reduce error rates and improve procedural traceability. These efficiency gains would also apply under PO7b and PO7c.
Economy and society at large					
Functioning of the internal market and competitiveness	Score 0-5	2	3	4	All the policy options would contribute to the functioning of the internal market by making share transfers faster and more predictable across borders through digital means and lowering transaction frictions that disproportionately affect cross-border investors. By eliminating legal asymmetries between notarial and non-notarial Member States, and by facilitating cross-border investment and supporting secondary markets for private equity thanks to reduced transaction costs, PO7b delivers a stronger contribution to internal market integration and also enhances EU competitiveness, improving capital mobility and reducing home bias. PO7b would also enhance the competitiveness and attractiveness of the internal market compared to third-country jurisdictions with more flexible private-law execution (e.g. Delaware and UK), where comparable secondary transfers require fewer formalities. PO7c offers the strongest positive impact on the functioning of the internal market and EU competitiveness by additionally allowing Member States to grant 28th regime companies access to public equity markets without mandatory conversion. In those Member States that would choose this option, it would enhance the Union's attractiveness as a place to scale and exit innovative companies and it would strengthen the credibility of the EU framework as a viable alternative to non-EU jurisdictions. Feedback from workshops with companies and bilateral interviews confirmed that a need for conversion into a national public company legal form before entering

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					public equity markets would weaken the value proposition of the 28th regime at the IPO stage.

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2.4. Coherence of the policy options

Policy options 1 to provide a harmonised company legal form for entrepreneurs

- Policy option 1a - Introduce a new harmonised legal form for a 28th regime company with a recognisable EU brand, to be set up by natural persons as founders.
- Policy option 1b - Option 1a + to be set up also by legal persons (28th regime subsidiaries), with a possibility for existing companies to convert through domestic conversions, and with harmonised rules for setting up of branches of 28th regime companies.
- Policy option 1c - Option 1b + a possibility for existing companies to create a 28th regime company through a cross-border conversion, division or merger in accordance with Directive 2019/2121.

Unit of measurement	PO1a	PO1b	PO1c	Motivation
Score 1-5	3	4	4	Internal coherence: Policy options 1a, 1b and 1c are all coherent and complementary with the other options of the initiative. While they will provide a common legal form with recognisable brand which is at the heart of the initiative, the other policy options will provide complementary common rules and procedures relevant for different parts of the companies', in particular startups' and scaleups', life cycle. For instance, policy options 2 and 3 will ensure that a founder can set up a 28th regime company in a simple and efficient way. The option 5 will make it easier for 28th regime companies to attract and retain talent; policy options 6 will ensure a flexible governance and capital regime, including a minimum capital requirement adapted to the needs of the startup founders. In addition, policy options 6 and 7 will ensure that the 28th regime company can have a simple and efficient rules for attracting investment to be able to scaleup while policy option 4 provide for simple and efficient rules in case of closure of a 28th regime company. External coherence: By providing a harmonised company legal form addressing the 28th regime company's whole life cycle, these options are coherent with the objectives of the Competitiveness Compass to make it possible for innovative companies to benefit from a single, harmonised set of EU-wide rules wherever they invest and operate in the Single Market. They also directly respond to the announcement of an EU corporate legal framework in the Single Market and the Startup and scaleup Strategies. PO1c will be also coherent with the Cross-Border Mobility Directive (EU) 2025/25.

Policy options 2 to make registration of companies, in particular startups quicker and simpler

- Policy option 2a - Create an EU single interface based on BRIS for the registration of 28th regime companies with harmonised bilingual templates (EN/national language) and preventive administrative, judicial or notarial control.
- Policy option 2b - Option 2a + introduce a deadline (48 hours) and cost ceiling of EUR 100 to complete the registration including the preventive administrative, judicial or notarial control when the standardised template is used by founders as natural persons.
- Policy option 2c - As option 2b but with preventive control by judicial or administrative authorities (excluding notaries) when the standardized template is used by founders as natural persons.

Unit of measurement	PO2a	PO2b	PO2c	Motivation
Score 1-5	3	4	4	Internal coherence: Policy options 2a, 2b and 2c are coherent with the other policy options as they provide a foundation for the legal framework governing the 28th regime companies. They are in particular coherent with options 3 as they complement each other to provide for a quick and efficient setting up of a company both with the business registers and with other authorities relevant for the registration. Policy options 2b and PO2c would be most coherent thanks to including a harmonised deadline and cost for registration. External coherence: these policy options, and mostly PO2b, will be in line with the Single Market and Startup and scaleup Strategies which called for the possibility of enabling companies to establish in Europe more rapidly, ideally within 48 hours, under the 28th regime. They will be coherent with – and build on - the digital procedures and systems in the EU company law, and in particular on BRIS. As all these policy options integrate preventive control into the streamlined registration process for 28th regime companies, they are in line with the Upgrading digital company Directive (EU) 2025/25, which made the setting up of companies and filing in all Member States subject to mandatory preventive control, carried out by administrative or judicial authorities, or notaries. These options are also coherent with the anti-money laundering and taxation policies aiming at prevention of abusive or fraudulent letter-box companies linked to tax evasion and/or money laundering. Finally, these options would be coherent with and rely on the eIDAS framework under Regulation (EU) No 910/2014 on electronic Identification, authentication and trust services.

Policy options 3 to ensure once-only submission of information in the context of registration

- Policy option 3a - In the context of the registration, ensure that the information about the company is transferred from the business register to the authority in charge of issuing the TIN, to social security authority and to the beneficial ownership register, with any beneficial ownership information as part of the template, without the 28th regime company needing to submit it again ("once-only principle").
- Policy option 3b - Option 3a + the 28th regime company would obtain the TIN from the relevant authority[41] as part of the registration process, with any additional information needed to obtain the TIN as part of the template.
- Policy option 3c - Option 3b + the 28th regime company would obtain the VAT identification number from the relevant authority as part of the registration process (unless more information is needed).

Unit of measurement	PO3a	PO3b	PO3c	Motivation
Score 1-5	3	4	5	Internal coherence: these policy options are in particular complementary with policy options 2. The application of the once-only principle will ensure that the setting up of the company is rendered even simpler and quicker thanks to no need to re-submit similar information to other authorities. In addition, policy options 3b and 3c will further simplify the setting up stage by ensuring that TIN and VAT identification numbers can be provided as part of the registration procedure. Policy option 3c will ensure most coherence. They are also coherent with policy options 4, which also provide for a once-only exchange of information between the business registers and other relevant authorities (e.g. tax, social security authorities) but in context of a closure of solvent 28th regime companies. External coherence: These policy options, and mostly option 3c contribute to digitalising the single market, in particular through exchanging digital data between authorities, which importance was underlined in the 2025 Single Market Strategy. They are coherent with the recent developments to digitalise the EU company law, in particular through the Digitalisation and Upgrading digital company law Directives, which already introduced the use of the "once-only principle" in a number of contexts. These options – and in particular 3b and 3c also contribute to the objectives of ensuring full identification of taxpayers by matching the data received by means of information exchange and ensure an automated identification of taxpayers as set in the evaluation

[41] This option would not apply to those cases where the TIN is also the VAT identification number.

				report on the Directive on Administrative Cooperation (DAC) 2011/16/EU[42]. These options are also coherent and complementary with the Single Digital Gateway Regulation (SDG) and the Once-Only Technical System (OOTS), which enables an automated cross-border exchange between authorities of documents and data for procedures covered under the SDG. This approach is also coherent with the Digital Decade[43], which aims to enhance the Member States' capacity to make their public administrations more digital and data-driven. Finally, by ensuring that the company information subject to preventive control will be used for beneficial ownership purposes, these options are coherent and contribute to the AML Directive 2024/1640[44], which requires Member States to main accurate and up-to-date beneficial ownership information.

Policy options 4 to facilitate closure of the company

- Policy option 4a - Ensure that all relevant filings by the liquidator for closure outside of insolvency are transferred from business register to other authorities ("once-only principle") and online filing of claims from creditors.
- Policy option 4b - Option 4a + simplified liquidation procedure (outside of insolvency) for no assets/no debts to be concluded within a specific deadline.
- Policy option 4c - Option 4b + simplification of insolvency procedures thanks to their full digitalisation.

Unit of measurement	PO4a	PO4b	PO4c	Motivation
Score 1-5	2	3	4	Internal coherence: Policy options 4a, 4b and 4c are all coherent with the other policy options as they are essential to complete the framework that governs the company from its creation until its closure, especially given the high failure rate of startups and importance of efficient closure to allow founders to be able to redirect resources to another business initiative. They allow for a faster and cheaper procedure to conclude a business that did not meet the business expectations both inside and outside insolvency, with policy option 4c ensuring most coherence. These policy options are in particular coherent with policy options 3 as both sets of options include further digitalising of exchanges between authorities through the use of "once-only principle". They are also coherent with policy options 7, both addressing

[42] Report on the evaluation of Council Directive 2011/16/EU on administrative cooperation in the field of taxation, COM(2025) 695 final.
[43] COM, State of the Digital Decade 2025 Report, June 2025, COM(2025) 290 final.
[44] Directive (EU) 2024/1640 on the mechanisms to be put in place by Member States for the prevention of the use of the financial system for the purposes of money laundering or terrorist financing.

				alternative scenarios towards the end of the company's lifecycle. External coherence: In particular, these policy options are coherent with EU rules in the area of insolvency, including the Restructuring and Insolvency Directive 2019/1023/EU and the proposal for the Insolvency Directive[45], expected to be adopted in the beginning of 2026 following the provisional political agreement reached in November 2025, as the rules on company liquidation (outside and inside insolvency) compliment current insolvency rules. They also respond to the Competitiveness Compass and the Single Market and the Startup and scaleup Strategies, which mentioned that a 28th legal regime would include aspects of insolvency and reduce the cost of failure, which these policy options would address by making closure of solvent and insolvent companies easier.

Policy options 5 for attracting talent

- Policy option 5a - Possibility for 28th regime companies to set up employee stock ownership plans (ESOPs) and issue classes of shares with distinct voting rights.
- Policy option 5b - Option 5a + introduce an optional common employee stock ownership scheme for 28th regime companies, based on employee stock options and with common criteria ("EU-ESO").
- Policy option 5c - Option 5b + provide harmonised timing for the taxation of employee stock options granted in the context of the EU-ESO.

Unit of measurement	PO5a	PO5b	PO5c	Motivation
Score 1-5	3	3	4	Internal coherence: Options 5a, 5b and 5c are in particular complemented by PO6a whose measures on capital increases facilitate that companies can provide shares for employees participating in ESOPs, but also by policy options 7, which facilitate exit opportunities for investors, including employee shareholders. Option 5c is the most coherent as it provides the most promising framework for a strong uptake of ESOPs and the underlying capital adjustments necessary for issuing shares to employees. External coherence: The promotion of employee participation in profits and enterprise results (PEPPER) has been on the agenda of the EU institutions and bodies for more than three decades, resulting inter alia in five PEPPER reports co-funded by the European Union. Opinions drafted by the European Economic and Social Committee, reports and studies by the European Parliament and two

[45] COM(2022) 702 final.

				Parliament resolutions in 2014 and 2018 on employee financial participation highlight the importance of this topic. Policy options 5 all contribute to increased employee financial participation, with option 5c providing the most attractive framework for companies, investors and employees. All three policy options also contribute to one of the objectives of the Startup and scaleup Strategy to support the attraction and retention of highly skilled and diverse talent from within the EU and from non-EU countries, in particular through legislative measures to harmonise certain aspects of the treatment of employee stock options for startups.

Policy options 6 to provide a flexible governance and capital regime for founders and investors

- Policy option 6a - Create a flexible governance system, provide simple and fully digital procedures for increasing capital and issuing shares and enable the use of modern early-stage financing instruments like SAFEs.
- Policy option 6b - Option 6a + 0 or EUR 1 minimum capital but no paid-in share capital for incorporation of 28th regime companies and harmonised creditor protection safeguards in addition to capital maintenance rules.
- Policy option 6c - Option 6b + common minimum share capital of EUR 5 000 for incorporation of 28th regime companies with harmonised creditor protection safeguards based primarily on capital maintenance.

Unit of measurement	PO6a	PO6b	PO6c	Motivation
Score 1-5	3	4	3	Internal coherence: Policy Options 6a, 6b and 6c are internally coherent. Measures under PO6a to facilitate capital increases help companies provide shares for employees participating in ESOPs, thereby supporting policy options 5. These measures are also mutually reinforcing with PO7 in terms of making it easier for 28th regime companies to raise financing. Furthermore, policy options 6b and 6c are coherent with PO2 by contributing to making the setting up of 28th regime companies simpler and quicker through a minimum capital requirement adapted to startups, with PO6b not requiring any paid-in capital for incorporation and thus removing the necessity to open a bank account before registration. PO6b therefore scores highest in terms of coherence. External coherence: PO6a aligns with EU efforts to promote digital procedures and reduce administrative formalities as followed in the recent developments of EU company law, especially through the Digitalisation and the Upgrading digital company law Directives. Its simple procedures for increasing capital and issuing shares also facilitate investment in EU companies, thereby contributing to a better connection between savings and productive investments as envisaged under the EU's Savings and Investment Union. As

				regards PO6b and PO6c which furthermore harmonise minimum capital requirements and therefore contribute to a simpler and quicker setting up of 28th regime companies, they will respond to the calls to enable companies to establish in Europe more rapidly under the Single Market and Startup and scaleup Strategies, with PO6b showing the strongest external coherence.

Policy options 7 to facilitate exit options

- Policy option 7a – Ensure that transfers of shares of 28th regime companies can be carried out fully digitally.
- Policy option 7b - Option 7a + no requirement to involve intermediaries in share transfers of 28th regime companies.
- Policy option 7c - Option 7b + a possibility for Member States to grant access to public equity markets to 28th regime companies.

Unit of measurement	PO7a	PO7b	PO7c	Motivation
Score 1-5	2	3	4	Internal coherence: Policy Options 7a, 7b and 7c are coherent with other policy options under this initiative. They are in particular coherent with Policy Options 6 – and mostly with PO6a, as both simpler and more digital capital increases and share issuances under PO6a and digital share transfers under PO7b are creating a more attractive framework for investing in 28th regime companies. All three policy options also contribute to Policy options 5 by facilitating transfers of shares, including those acquired through ESOPs, with policy option 7c being the most coherent as it allows Member States to provide for the possibility of these shares being traded on public markets. PO7c achieves the overall highest level of internal coherence with other policy options, as it ensures consistency across the full corporate lifecycle, covering also investment through access to public equity market which is most relevant for late-stage startups and mature companies. External coherence: PO7a is in line with EU-wide efforts to promote digital procedures and reduce administrative barriers in business operations, in particular as followed in the recent developments of EU company law, especially through the Digitalisation and the Upgrading digital company law Directives. PO7b complements these objectives by reducing legal fragmentation stemming from divergent national formalities, without interfering with substantive national property or contract law. All policy options are particularly coherent with the Savings and Investment Union, which supports both exits by investors in private companies and deeper and more integrated EU capital markets by facilitating IPO exits. Overall, PO7c delivers the strongest external

				coherence by maximising alignment with broader EU investment, competitiveness and market-integration policies.

2.5. Overview of the assessment of the options

2.5.1 Multi-Criteria Analysis

To compare the policy options in their relative impacts, we have performed a Multi-Criteria Analysis (MCA). As it is an integrative framework, the MCA allows us to include all retained policy options and assess them against the identified impacts. The analysis relies on the following two components:

1) The scores assigned to each Policy Option are net of the baseline. The scoring system is represented on a 0-5 scale and is based on the in-depth analysis of the available evidence of the impacts.
2) The weights assigned to each impact represent the relative importance assigned to them. To ensure robustness, we have taken two approaches in the distribution of weights:
   a. Approach 1: A weight of 30% for Effectiveness, 60% for Efficiency and 10% for Coherence.
      i. Effectiveness was assigned a weight of 30%, as all retained policy options contribute positively to the achievement of the core objectives of the initiative. Differences between options mainly concern the extent, scope and timing of their contribution to these objectives, rather than the presence or absence of an effect. As a result, effectiveness plays an important but not decisive role in differentiating between policy options. Effectiveness was assessed by scoring each of the three specific objectives separately, with each objective assigned an equal weight of 10%.
      ii. Efficiency was assigned a weight of 60%, as the largest differences between retained policy options relate to the magnitude and distribution of costs and benefits for companies, investors and public authorities. Policy options differ substantially in terms of administrative burden reduction, adjustment costs, ease of use, and impacts on cross-border activity and investment. Efficiency therefore provides the greatest discriminating power between options and is the criterion for which the most detailed and robust evidence is available, including quantified estimates of administrative burden reductions. Efficiency was assessed through seven distinct impacts, of which five impacts were each assigned a weight of 10% and two impacts (costs and benefits for public authorities) were each assigned a weight of 5%, with the overall efficiency score reflecting the net effect of benefits minus costs.
      iii. Coherence was assigned a weight of 10%, reflecting that all retained policy options are broadly coherent with existing EU company law, digitalisation initiatives and Single Market objectives. Differences between options in terms of coherence are limited and mainly relate to the degree of alignment with existing instruments and frameworks, rather than to fundamental inconsistencies. Coherence is therefore included to ensure overall policy consistency, but does not drive the ranking of options.
   b. Approach 2: An alternative scenario is to assign equal weights to Effectiveness and Efficiency (45% for each) and 10% for Coherence.

i. The logic behind the specific distribution of weights and impacts is identical to the first approach. What we notice is that the results of the MCA hold even after these weights have been changed to ensure equal significance for the effectiveness and efficiency.

The total weighed score for each policy option are calculated as the scores of each policy options against the identified impacts, multiplied by the weight assigned to each specific impact. The weighted performance of the costs is subtracted. All policy options lead to a net benefit, indicating that the benefits outweigh the costs.

a. Under the main approach (30-60-10% weights), we observe that policy options 1c, 3c, 4c, 5c, 6b and 7c rank highest under all three criteria. Policy option 2b scores higher due to efficiency.

b. Under the second approach (45-45-10% weights), the results hold. The same policy options (as under the main approach) have the highest scores and are the preferred options, this time with slightly higher overall scores.

MCA table main scenario 30-60-10% weights for effectiveness–efficiency–coherence:

	Weight	PO1 a	PO1 b	PO1 c	PO2 a	PO2 b	PO2 c	PO3 a	PO3 b	PO3 c	PO4 a	PO4 b	PO4 c	PO5 a	PO5 b	PO5 c	PO6 a	PO6 b	PO6 c	PO7 a	PO7 b	PO7 c
EFFECTIVENESS (30)																						
SO1: Provide a common corporate legal framework for startups and scaleups in the EU	10%	2	3	4	2	3	3	1	2	3	1	2	3	1	2	3	1	2	2	1	2	3
SO2: Provide simple and efficient corporate rules and procedures throughout the lifecycle of startups and scaleups	10%	-	-	-	3	4	4	2	3	4	2	3	4	1	3	4	3	4	3	-	-	-
SO3: Ensure that corporate rules provide an enabling framework to invest	10%	-	-	-	-	-	-	-	-	-	-	-	-	1	3	4	3	4	3	2	3	4
EFFICIENCY (60)																						
Companies and investors																						
Ease of doing business	10%	2	3	4	3	4	4	2	3	4	2	3	4	1	3	4	2	4	3	2	3	4

Ease of attracting investment	10%	2	3	4	2	3	3	0	0	0	1	2	3	1	2	4	2	3	2	2	3	4
Administrative burden reduction	10%	2	3	4	3	4	4	2	3	4	2	3	4	1	2	3	2	4	3	3	4	4
Administrative and adjustment costs	10%	0	1	2	0	0	0	0	0	0	0	0	0	1	1	1	1	1	2	1	1	1
Public authorities																						
Costs	5%	1	2	3	2	3	4	1	2	2	1	2	3	0	0	2	1	1	2	1	2	2
Benefits	5%	2	3	3	1	1	1	1	2	3	1	2	3	0	0	0	1	3	2	1	1	1
Economy and society at large																						
Functioning of the internal market and competitiveness	10%	2	3	4	2	3	3	2	3	4	2	3	4	2	3	4	2	3	2	2	3	4
COHERENCE (10)																						
Coherence	10%	3	4	4	3	4	4	3	4	5	2	3	4	3	3	4	3	4	3	2	3	4
TOTAL	100%	**1.75**	**2.45**	**3**	**2**	**2.75**	**2.70**	**1.35**	**2.05**	**2.8**	**1.35**	**2.15**	**2.95**	**1**	**2**	**2.8**	**1.7**	**2.8**	**1.9**	**1.45**	**2.2**	**2.9**

Summary table:

	Weight	**PO1 a**	**PO1 b**	**PO1 c**	**PO2 a**	**PO2 b**	**PO2 c**	**PO3 a**	**PO3 b**	**PO3 c**	**PO4 a**	**PO4 b**	**PO4 c**	**PO5 a**	**PO5 b**	**PO5 c**	**PO6 a**	**PO6 b**	**PO6 c**	**PO7 a**	**PO7 b**	**PO7 c**
Effectiveness	**30%**	0.60	0.90	1.20	0.75	1.05	1.05	0.45	0.75	1.05	0.45	0.75	1.05	0.30	0.80	1.10	0.70	1.00	0.80	0.45	0.75	1.05
Efficiency	**60%**	0.85	1.15	1.40	0.95	1.30	1.25	0.60	0.90	1.25	0.70	1.10	1.50	0.40	0.90	1.30	0.70	1.40	0.80	0.80	1.15	1.45
Coherence	**10%**	0.30	0.40	0.40	0.30	0.40	0.40	0.30	0.40	0.50	0.20	0.30	0.40	0.30	0.30	0.40	0.30	0.40	0.30	0.20	0.30	0.40
Total	**100%**	**1.75**	**2.45**	**3**	**2**	**2.75**	**2.70**	**1.35**	**2.05**	**2.8**	**1.35**	**2.15**	**2.95**	**1**	**2**	**2.8**	**1.7**	**2.8**	**1.9**	**1.45**	**2.2**	**2.9**

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MCA table second approach 45-45-10% weights for effectiveness–efficiency–coherence:

	Weight	PO1 a	PO1 b	PO1 c	PO2 a	PO2 b	PO2 c	PO3 a	PO3 b	PO3 c	PO4 a	PO4 b	PO4 c	PO5 a	PO5 b	PO5 c	PO6 a	PO6 b	PO6 c	PO7 a	PO7 b	PO7 c
EFFECTIVENESS (45)																						
SO1: Provide a common corporate legal framework for startups and scaleups in the EU	15%	2	3	4	2	3	3	1	2	3	1	2	3	1	2	3	1	2	2	1	2	3
SO2: Provide simple and efficient corporate rules and procedures throughout the lifecycle of startups and scaleups	15%	-	-	-	3	4	4	2	3	4	2	3	4	1	3	4	3	4	3	-	-	-
SO3: Ensure that corporate rules provide an enabling framework to invest	15%	-	-	-	-	-	-	-	-	-	-	-	-	1	3	4	3	4	3	2	3	4
EFFICIENCY (45)																						
Companies and investors																						
Ease of doing business	7.50%	2	3	4	3	4	4	2	3	4	2	3	4	1	3	4	2	4	3	2	3	4

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Ease of attracting investment	7.50%	2	3	4	2	3	3	0	0	0	1	2	3	1	2	4	2	3	2	2	3	4
Administrative burden reduction	7.50%	2	3	4	3	4	4	2	3	4	2	3	4	1	2	3	2	4	3	3	4	4
Administrative and adjustment costs	7.50%	0	1	2	0	0	0	0	0	0	0	0	0	1	1	1	1	1	2	1	1	1
Public authorities																						
Costs	3.75%	1	2	3	2	3	4	1	2	2	1	2	3	0	0	2	1	1	2	1	2	2
Benefits	3.75%	2	3	3	1	1	1	1	2	3	1	2	3	0	0	0	1	3	2	1	1	1
Economy and society at large																						
Functioning of the internal market and competitiveness	7.50%	2	3	4	2	3	3	2	3	4	2	3	4	2	3	4	2	3	2	2	3	4
COHERENCE (10)																						
Coherence	10%	3	4	4	3	4	4	3	4	5	2	3	4	3	3	4	3	4	3	2	3	4
TOTAL	100%	**1.84**	**2.61**	**3.25**	**2.14**	**2.95**	**2.91**	**1.43**	**2.2**	**3.01**	**1.4**	**2.25**	**3.1**	**1.05**	**2.18**	**3.03**	**1.88**	**2.95**	**2.1**	**1.48**	**2.29**	**3.06**

Summary table:

	Weight	**PO1 a**	**PO1 b**	**PO1 c**	**PO2 a**	**PO2 b**	**PO2 c**	**PO3 a**	**PO3 b**	**PO3 c**	**PO4 a**	**PO4 b**	**PO4 c**	**PO5 a**	**PO5 b**	**PO5 c**	**PO6 a**	**PO6 b**	**PO6 c**	**PO7 a**	**PO7 b**	**PO7 c**
Effectiveness	**45%**	0.90	1.35	1.80	1.13	1.58	1.58	0.68	1.13	1.58	0.68	1.13	1.58	0.45	1.20	1.65	1.05	1.50	1.20	0.68	1.13	1.58
Efficiency	**45%**	0.64	0.86	1.05	0.71	0.98	0.94	0.45	0.68	0.94	0.53	0.83	1.13	0.30	0.68	0.98	0.53	1.05	0.60	0.60	0.86	1.09
Coherence	**10%**	0.30	0.40	0.40	0.30	0.40	0.40	0.30	0.40	0.50	0.20	0.30	0.40	0.30	0.30	0.40	0.30	0.40	0.30	0.20	0.30	0.40
Total	**100%**	**1.84**	**2.61**	**3.25**	**2.14**	**2.95**	**2.91**	**1.43**	**2.2**	**3.01**	**1.4**	**2.25**	**3.1**	**1.05**	**2.18**	**3.03**	**1.88**	**2.95**	**2.1**	**1.48**	**2.29**	**3.06**

2.5.2 Sensitivity Analysis

The sensitivity analysis focuses on variations in the number of companies opting into the 28th regime, as take-up is the main source of uncertainty in the estimation of aggregate administrative burden reductions. Other parameters used in the Standard Cost Model, such as time spent per obligation, wage rates and procedural steps, are based on established assumptions and benchmark values drawn from previous impact assessments and stakeholder input, being applied consistently across all policy options.

Varying these parameters would affect all policy options proportionally and would therefore not alter their relative performance or the overall conclusions of the analysis. By contrast, changes in take-up directly affect the scale of the quantified impacts and therefore provide the most meaningful test of the robustness of the estimated administrative burden reductions.

The reductions in administrative burden by the various policy options are calculated by applying the Standard Cost Model (SCM). To verify the robustness of our SCM results, we performed a sensitivity analysis based on a lower and higher estimated take-up rate.

Under t a moderate take-up assumption, there are 308,843 newly formed 28th regime companies over a 10-year period. Assuming a low take-up rate, there would be 231,632 new 28th regime companies and for a high take-up rate, there would be 386,053 new 28th regime companies, over the same period of 10 years46. The overall lower or higher number of newly formed companies would impact the overall cost-benefit analysis:

Preferred policy option	Total admin burden reduction – moderate uptake	Total admin burden reduction - low uptake	Total admin burden reduction - high uptake
PO2b	between EUR 227,828,649 and EUR 340,256,273	between EUR 170,871,733 and EUR 255,192,572	between EUR 284,785,975 and EUR 425,320,586
PO3c	EUR 28,718,065	EUR 23,931,755	EUR 39,886,224
PO4c	EUR 3,281,457	EUR 2,461,090	EUR 4,101,813
PO5c	EUR 12,971,406	EUR 9,728,544	EUR 16,214,226
PO6b	EUR 55,206,278	EUR 41,404,683	EUR 69,007,746
Total preferred policy options	**EUR 328,005,855 to EUR 440,433,479**	**EUR 248,397,805 to EUR 332,718,644**	**EUR 413,995,984 to EUR 554,530,595**

From the administrative burden reduction of EUR 328 million to 440 million in the moderate take-up scenario, this benefit would be of EUR 248 million to 332 million under a low take-up, or between EUR 414 million and 554 million considering a high take-up rate. The overall administrative burden reduction figures show that the magnitude of the potential benefits is proportional to the number of companies opting for the 28th regime.

[46] Please refer to Annex 8: Number of companies for the detailed model.