



Helpdesk

EU NEWS ON IMPLEMENTATION OF “ACQUIS COMMUNAUTAIRE”

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Company law: Commission proposes further simplification of EU rules on mergers and divisions

The European Commission has put forward a proposal for a directive that will further reduce the administrative burdens on European public limited-liability companies in the area of mergers and divisions. Under the proposal, companies would benefit from simplified requirements on reporting and on publication of draft terms. The proposal complements the two packages of "fast track" measures that were put forward by the Commission in March 2007 ([IP/07/1087](#)) and April 2008 ([IP/08/598](#)). These measures will contribute to the objective of reducing administrative burdens on EU companies by 25% by the end of 2012. The total savings potential of the measures proposed so far in the area of company law, with the current proposal, is brought to 1 billion €/year.

Internal Market and Services Commissioner Charlie McCreevy said: *“With this proposal, we continue to deliver on the promises we made last year. The directives that we want to modify date back about 30 years. If we want to keep administrative burdens for EU companies to a minimum we must make sure that these rules are brought in line with today's technological possibilities and business processes.”*

Company law, accounting and auditing have been identified as priority areas for reducing administrative burdens on companies. The Commission set out its action plan in these areas in its Communication on a 'Simplified business environment for companies in the areas of company law, accounting and auditing' of 10 July 2007 ([IP/07/1087](#)) and invited reactions to its proposals until end October 2007 (available at link below). The reaction to the Communication showed clear overall support for the initiative. In the area of company law, the preference was clearly for proposing

targeted changes to the existing directives instead of repealing certain ones altogether.

The current proposal aims notably at:

- reducing the reporting requirements of companies in the case of mergers and divisions, in particular where shareholders decide that certain reports are not needed and in the context of so-called "simplified" mergers and divisions between parent companies and their subsidiaries;
- avoiding double reporting where reporting requirements also result from other EU rules; and
- introducing the possibility for companies to use the Internet and electronic mail in order to publish the draft terms of merger or division and to provide shareholders with the documentation required.

More information is available at:

http://ec.europa.eu/internal_market/company/simplification/index_en.htm