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**PRESS RELEASE**

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<p style="text-align: center;"><b>EUROPEAN COMPANY STATUTE MUST SERVE BUSINESS NEEDS</b></p>
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On the eve of the Social Affairs Council meeting (25/5), which will re-examine the proposed statute for a European Company, UNICE wishes to re-affirm its position on this highly important topic.

The European business community has consistently expressed interest in creation of a statute for a European Company. This would facilitate cross-border mergers and foster industrial cooperation in Europe.

UNICE has been no less constant in pointing out that companies would only opt for this form of incorporation if the proposed statute is sufficiently attractive and corresponds to their needs.

Clearly, the present proposals fall short of this basic requirement and, in their current form, offer insufficient added value to companies.

- ☒ The proposed Regulation, which deals with the company law aspects of the statute, contains so many referrals to national law that it fails in its objective to provide companies with a genuine Community law instrument.
- ☒ Regarding the much debated issue of worker involvement, difficulties remain. UNICE stresses that mandatory negotiation structures would threaten the voluntary approach enabling management and employees to find the most appropriate model suited to their specific needs and culture. In addition, these proposals would ultimately impose on some Member States an industrial relations regime that is alien to their culture and traditions.
- ☒ Lastly, no proposals have been made regarding fiscal arrangements and the whole “package” remains incomplete and unattractive to companies since the organisational benefits do not outweigh the burden of compliance.

UNICE therefore urges the Member States of the European Union, when re-examining this dossier, to focus on the original aim of the instrument, which is to serve companies operate as a single legal entity in the internal market.

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