



## COMPANY LAW – EUROPEAN PRIVATE COMPANY STATUTE (SPE)

### KEY MESSAGES

- 1** This company form should provide increased mobility and flexibility for SMEs by helping them to take full benefit of the Internal Market.
- 2** The SPE should allow entrepreneurs to comply with the same simple and flexible company law framework, enabling them to overcome the obstacles they currently face when crossing borders.
- 3** BUSINESSEUROPE will continue to support the SPE Statute but not at any cost.
- 4** Only a sufficiently simple and flexible statute would serve the purpose of companies.

### BACKGROUND

A European Private Company (Societas Privata Europaea) is a European legal form intended to facilitate the establishment and operation of small and medium-sized enterprises (SMEs) in the Single Market. At the same time, it will benefit larger groups in organising their subsidiaries abroad.

The potential savings on legal costs for setting up a company could be up to € 10,000. Moreover, up to € 8,000 could be saved on day-to-day operating costs annually.

The aim of the Commission's proposal is to remove the current need for limited companies to reincorporate in the corresponding legal form in all the EU member countries in which they want to trade.

The SPE is part of a package of legislative measures known as the Small Business Act.

Since the inception of the debate in 1998, BUSINESSEUROPE has strongly supported this optional tool which addresses the needs of SMEs and enables them to take full benefit of the internal market.

The SPE Statute remains a priority for the Commission and in particular for the new Commissioner for the Internal Market, Michel Barnier.

Negotiations at Council level are still deadlocked due to the need for unanimity. Member States' views remain divergent as regards in particular the following issues: seat of the company; minimum capital; cross-border element; and employee participation. The most problematic Member States are Germany and Austria.

## WHAT DOES BUSINESSEUROPE AIM FOR?

- Avoid this legislative initiative being shelved and forgotten due to political lack of agreement.
- Keep intact the essential characteristics of the SPE, namely low minimum capital requirements, absence of a cross-border element, flexibility regarding the transfer of the seat of the company and simple rules regarding worker participation.
- BUSINESSEUROPE believes that if those essential elements are changed the instrument proposed will not be attractive for companies and its overall objective will be missed.
- The Belgian Presidency must do its utmost to secure an agreement rapidly on this key dossier for the further completion of the internal market.