

# POSITION PAPER 28TH REGIME, EU INC

31st March 2026

On 18 March 2026, the European Commission (EC) made public the proposal for a harmonised legal form (EU Inc). Here is a position paper on this proposal from VNO-NCW MKB-Nederland.

## 1. Introduction

On 18 March 2026, the European Commission published the proposal for a new, harmonised European legal form: **EU Inc**. This proposal is part of the broader agenda for a 28th regime, aimed at strengthening the internal market, stimulating innovation and reducing administrative burdens for businesses. VNO-NCW MKB-Nederland welcomes the Commission's ambition to promote entrepreneurship and facilitate cross-border activities. At the same time, the proposal calls for a critical assessment of the consequences for Dutch business, the legal ecosystem and the position of creditors.

## 2. Gist of the proposal

Optional, uniform EU legal form: EU Inc is a **voluntary** legal form that coexists with national forms. Member states are not allowed to amend existing national rules to restrict EU Inc.

Fully digital incorporation and governance: EU Inc is set up in 48 hours and for only EUR 100 in registration fees. Incorporation, shareholders' meetings, document exchange and signing are completely digital. Automatic link with tax authorities, social insurance institutions and UBO registers.

Flexible governance and default statutes: The Commission develops **EU-wide templates** for statutes and governance models. No minimum capital requirement.

EU-wide recognition: An EU Inc is automatically recognized in all member states, without any additional formalities.

Specific insolvency regime The proposal introduces a **new, simplified insolvency regime** for EU Inc, aimed at swift resolution and restart. These simplified insolvency procedures (especially for start-ups), are aimed at rapid resolution and restart. The characteristics of this insolvency regime are:

- Shorter lead times (several months).
- Fully digital procedures.
- Fewer formal steps and less third-party involvement.
- Starting criterion: as soon as debts are due and cannot be paid.

Employee participation: The proposal includes EU-wide employee stock option plans where taxation only takes place upon sale of the shares.

### **3. Positive elements of the proposal**

#### *3.1 Reduction of administrative burden*

- The choice of a **regulation** avoids national headings and promotes uniformity.
- The legal form is **optional**, so that existing Dutch legal forms remain unaffected.

#### *3.2 Strong digitalisation battles*

- Fully digital incorporation and governance.
- Digital shareholder meetings, which is not yet possible in the Netherlands.
- Automatic data transfer to the tax authorities, social insurance institutions and UBOregister.

#### *3.3 Flexibele governance*

- Use of uniform EU templates for statutes.
- No minimum capital requirement.
- More efficient liquidation and insolvency proceedings.

#### *3.4 Improving employee participation*

- EU-wide employee stock option plans, where tax is only due when the shares are sold.

#### *3.5 Easy cross-border recognition*

- EU Inc is automatically recognized in all member states, which simplifies international expansion.

### **4. Critical Considerations and Risks**

#### *4.1 Insufficient harmonisation*

- The lack of a central EU register leads to the risk of differences in interpretation.
- Legal disputes largely remain before national courts, which limits legal certainty.

#### *4.2 Incomplete tax integration*

- The proposal does not contain a **tax regime**. This limits the attractiveness of EU Inc.

#### *4.3 Listing as a Member State option*

- The possibility of listing on the stock exchange should be harmonised to ensure a level playing field.

#### *4.4 Parallel insolvency regime creates complexity*

An EU Inc introduces a parallel regime with different starting points. This leads to more complexity in cross-border cases. Different insolvency regimes side by side can lead to inconsistencies. The start-up criterion ("as soon as a company is unable to pay its debts and they are due") lowers the threshold for insolvency and can lead to unnecessary termination of companies.

#### *4.5 Creditor risks and financeability*

- Less emphasis on verification and yield maximization.
- Lower recovery rates.
- Startups with few assets pose an increased risk to creditors.

#### *4.6 Safeguards & anti-money laundering (AML)*

The EU Inc proposal must be assessed against the EU's anti-money laundering framework, in particular the upcoming Anti-Money Laundering Regulation (AMLR) and the Sixth Anti-Money Laundering Directive (AMLD6), which will apply from 2027 onwards.

The proposal's core features

Digital incorporation within 48 hours, a registration fee of only EUR 100, no minimum capital requirement, and no mandatory involvement of a notary or other legal gatekeeper — create a risk profile that requires robust AML safeguards from the outset. Specifically:

- Gatekeeper function. In several member states, including the Netherlands, notaries or other legal gatekeeper perform a critical gatekeeper role at the point of incorporation: identity verification, UBO (Ultimate Beneficial Owner) due diligence, and screening against sanctions lists and PEP databases. The EU Inc proposal replaces this with an automatic link to tax authorities, social insurance institutions and UBO registers. However, registration in a UBO register is not equivalent to independent verification of beneficial ownership. The proposal should clarify which obliged entity performs Customer Due Diligence (CDD) at the point of incorporation and how this aligns with the requirements of the AMLR.
- Abuse risk. A low-cost, fully digital legal form with EU-wide recognition and no minimum capital requirement may be attractive for misuse as a shell company, conduit vehicle, or layering structure in money laundering schemes. The proposal should include specific safeguards to mitigate

these risks, including enhanced due diligence for incorporations involving beneficial owners from high-risk third countries.

- Role of AMLA. The newly established European Anti-Money Laundering Authority (AMLA) should be mandated to assess the EU Inc framework for its compatibility with EU AML legislation, and to issue guidance on the AML obligations applicable to EU Inc incorporations. This assessment should take place before the entry into force of the EU Inc regulation, not retrospectively.
- Supervision and enforcement. It should be clarified which national authority is responsible for AML supervision of EU Inc entities, particularly in cross-border scenarios where the registered office is in one member state but economic activity predominantly takes place in another. Regulatory arbitrage — incorporating in the member state with the lightest AML enforcement — must be actively prevented.

A well-designed EU Inc can promote entrepreneurship and cross-border activity. However, the framework must not inadvertently create a vehicle that undermines the integrity of the EU's financial system. AML compliance by design, not as an afterthought, is essential.

## 5. Impact on Dutch business

### 5.1 Odds

- Dutch startups and scaleups benefit from rapid incorporation, low costs and digital governance.
- International operations are made easier by uniform recognition.
- Innovation and employee participation are encouraged.

### 5.2 Risks

- Dutch legal practice has to deal with a parallel system that adds complexity.
- Possible pressure on Dutch insolvency law and creditor protection.

## 6. VNO-NCW MKB-Nederland's recommendations to the European Commission

### 6.1 Strengthen harmonisation

- Introduce a **central EU registry** for EU Inc.
- Harmonise the possibility of **stock exchange listing**.

### 6.2 Develop a tax framework

- Consider an optional, uniform tax regime to increase the attractiveness of EU Inc.

### 6.3 Guarantee legal certainty in insolvency

- Clarify the relationship between national insolvency regimes and the EU Inc-regime.

- Increase the insolvency starting criterion to avoid unnecessary termination.
- Protect creditors through minimum verification and transparency requirements.

#### *6.4 Monitor the level playing field*

- Prevent member states from using EU Inc for regulatory arbitration.
- Make sure that employment law and governance aspects do not lead to unfair competition.

#### *6.5 Involve business and legal practice*

- Work closely with national business organisations, such as VNO-NCW MKB-Nederland, to ensure practicability and proportionality

#### *6.6 Safeguards & anti-money laundering (AML)*

- Ensure safeguards to prevent money laundering and abuse of the EU Inc, therefore ensure a trustable gatekeeper for preventive control at key moments and strong connection with the AMLA

## **7. Conclusion**

VNO-NCW MKB-Nederland sees the proposal for EU Inc as an important step towards a more modern, innovation-friendly internal market. The strong digitization drive, flexibility and cross-border recognition are valuable improvements for entrepreneurs.

At the same time, there are substantial risks in the areas of anti-money laundering safeguards, harmonisation, insolvency law and creditor protection. These bottlenecks may still need to be investigated. Without further clarification and strengthening, the 28th regime could lead to legal complexity and uncertainty.

VNO-NCW-MKB Nederland therefore calls on the European Commission and the member states to further refine the proposal, with an eye for legal certainty, a level playing field and the interests of both entrepreneurs and creditors.

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