



ALERT APRIL 2026:

“EU INC.” -- NEW EUROPEAN CORPORATE ENTITY

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The European Commission has finally presented a proposal for a Regulation aimed at governing a new form of European limited liability company, briefly referred to as “**EU Inc.**”

The objective is to facilitate the incorporation, possible transformation, and strengthening of new businesses within the European Union, with automatic legal recognition across all 27 Member States (hence the definition of a “***twenty-eighth State***”). According to the proposal, these new companies may be established digitally through a harmonized application form and at minimal cost (not exceeding Euro 100), using a standardized model of By-laws. The same legal framework would apply uniformly across all EU Member States.

The main features of this new type of company include: Limited liability of stockholders; acquisition of legal personality upon registration in the Register of Commercial Companies of the Member State where the registered office is established; Possibility of incorporation by one or more natural or legal persons, including through extraordinary corporate transactions; Assignment of a sole European identification number at the time of registration; Indetermined duration; No minimum share capital requirements; Representation through simplified shares without nominal value; Possibility of contributions without limitation, provided they can be economically valued; Possibility of distributions to stockholders subject only to the existence of assets exceeding liabilities and capital, as well as the ability to meet debts falling due within the following twelve months (to be certified by a directors’ statement); Possibility of issuing convertible financial instruments to facilitate early-stage financing; And the automatic transmission of company data to tax authorities, social security institutions, and beneficial ownership registers.

Although some critics argue that the proposal does not go as far as removing the requirement for a registered presence in one of the 27 EU Member States, the European Commission’s initiative represents a truly remarkable development (and a significant opportunity, if adopted) in the global economic landscape.