

Date: March 18, 2026

Topic: EU Inc. 28th Regime

EXECUTIVE SUMMARY

On 18 March, the European Commission presented its proposal for **EU Inc.**, a new single set of corporate rules, building the cornerstone and starting point for the **EU's 28th regime**.

The 28th Regime will make it easier for innovative companies to start, operate and grow across the EU, incentivising them to stay in Europe, and encourage those who once looked elsewhere to return.

It will provide a **single harmonised set of corporate rules** that companies can choose instead of navigating multiple national regimes, unlocking the true potential of the Single Market¹.

The EU Inc. is a key deliverable of EU's competitiveness agenda and one of the main initiatives to support companies, in particular start-ups and scale-ups, to innovate and grow in the Single Market.

The EU Inc. proposal will now be discussed by the European Parliament and the Council. An agreement is expected to be reached by end of 2026.

Main features of EU inc. include:

1. **Faster registration:** Entrepreneurs and companies can found an EU Inc. within 48 hours for under €100, with no minimum share capital.
2. **Simpler procedures:** Submit company information once via an EU-level interface; tax and VAT numbers are automatically issued. A central EU register will be created.
3. **Fully digital operations:** Corporate processes are digital by default throughout a company's lifecycle.
4. **Helping founders restart faster and cheaper:** Digital liquidation and simplified insolvency for innovative startups procedures make it easier to wind down operations and try new ideas.
5. **Better conditions to attract investment:** Digital financing, simplified share transfers, no mandatory intermediaries, and potential stock exchange access for EU Inc. companies.
6. **Better means to attract talents:** EU-wide employee stock options taxed only when sold, boosting attractiveness for startups.
7. **Full access to the Single Market:** Companies can choose their incorporation Member State; prohibited practices are blacklisted to ensure equal treatment.
8. **Strong safeguards against abuse:** National employment and social laws fully apply, including co-determination rules.

¹ EU Inc. does not replace national company frameworks. It is an optional harmonised company framework available across the EU available to all companies.

9. **Flexibility of shares:** Companies can create different classes of shares with varying economic or voting rights, helping protect against hostile takeovers.

A wide set of measures will complement EU Inc. to enable businesses to reap the full benefits of the Single Market:

1. **Digitalisation:** Full use of digital tools, such as the European Business Wallet.
2. **Attracting talent:** Exploring 100% cross border telework for innovative startups and scaleups. A Skills Portability Initiative to facilitate labour mobility.
3. **Predictable system:** Encouraging Member States to set up specialised courts for EU Inc. companies.
4. **Access to Finance:** Easier flow of venture capital with the review of European Venture Capital Funds Regulation.

RELEVANCE FOR THE BATTERY SECTOR

Although the proposal does not specifically mention batteries, it is highly relevant for innovative battery companies, especially startups and scaleups.

Scaling battery start-ups and scale-ups

Batteries are highly capital-intensive and rely on rapid scaling. The proposed EU-wide corporate regime reduces legal fragmentation, simplifies cross-border expansion, and enables pan-European corporate structures. By lowering these structural barriers, it addresses a key bottleneck in the EU battery ecosystem: the difficulty for companies to scale efficiently across multiple jurisdictions. This directly supports the ability of EU battery projects to compete with global players.

Attractiveness of Europe for battery investment

Battery companies—including gigafactories, material suppliers, and recycling firms—often evaluate investment options by comparing the EU with the US (Inflation Reduction Act) and China (state-backed support). A unified “EU Inc.” regime could reduce administrative burdens, improve investor clarity, and make EU-based battery ventures more appealing. While not a sector-specific policy, this change has a significant indirect impact on foreign direct investment and the financing of battery scale-ups.

Integration of the battery value chain and innovation support

A harmonized corporate framework could facilitate vertical integration across the EU battery regions and strengthen pan-European battery champions. For innovation actors, it may also enhance startup participation in EU partnerships, and reduce friction for spin-offs and scale-ups.

RELEVANCE FOR BATTERY STARTUPS

Alongside the proposal, the Commission has adopted the *Recommendation on the definitions of innovative enterprises, innovative startups and innovative scaleups*. Following the adoption of the EU Inc and the Recommendation, companies, including innovative startups and innovative scaleups, will benefit from a single set of company law rules across the EU and from common EU definitions helping them to get targeted regulatory or financial support.

A company is innovative when R&D costs in the last three years are worth at least 10% of operating costs or at least 5% of total sales. A company can also be considered innovative if it has or will soon develop a major innovation, which holds risks of market or technological failure.

An **innovative start-up** is an innovative company less than ten years old with fewer than 100 employees and an annual turnover or balance sheet of less than €10 million. **Innovative scale-ups** have an annual turnover or balance sheet of more than €10 million, have increased the number of their employees or revenues by 20% in the last two years, and either employ fewer than 750 persons or are not publicly listed.

As part of a broader 28th regime, the Commission is now pitching EU Inc., which will include measures on digitalisation, access to finance, talent and taxation. An agreement is expected by the end of the year.

Background

Building on the analysis of [Mario Draghi's report on the future of European competitiveness](#), the Commission presented the [Competitiveness Compass in January 2025](#). The goal of this new roadmap is to restore Europe's dynamism and boost our economic growth. EU Inc. was announced as part of these actions to enhance the competitiveness of the European economy, with an aim to make it possible for innovative companies to benefit from a single, harmonised set of EU-wide rules, including any relevant aspects of corporate law, insolvency, labour and tax law.

Subsequently, the [March 2025 European Council](#) conclusions called on the Commission to: “*propose an optional 28th company law regime allowing innovative companies to scale up*”. More specifically, the [Savings and Investments Union](#), the [Single Market Strategy](#) and the [Start-up and Scale-up Strategy](#), respectively, set out a list of measures aiming to mobilise private investment, strengthen access to finance, complete the Single Market a reality and boosting the growth of innovative companies in the EU, and underlined the crucial role that EU Inc. will play in achieving these aims.

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REFERENCES

- (1) [Communication: Towards a 28th regime for EU companies](#)
- (2) [Proposal for an EU Inc. corporate legal framework](#)
- (3) [Factsheet: Proposal for an EU Inc. corporate legal framework](#)
- (4) [Press release](#)
- (5) [Commission pitches 'game changing' EU-wide company regime](#)
- (6) [Commission Recommendation on the definition of innovative enterprises, innovative startups and innovative scaleups](#)
- (7) [Factsheet: EU recommendation: defining innovative enterprises, startups & scaleups](#)