

EU Inc. — The 28th Regime

Official Proposal Briefing · European Commission IP/26/614 · WVT Switzerland GmbH

Today, 18 March 2026, the European Commission officially published EU Inc. — an **optional, digital-by-default** pan-European corporate framework designed to unlock the full potential of the Single Market for Europe's entrepreneurs.

■ *Confidence level: PROPOSAL STAGE — all provisions subject to change during Council and Parliament negotiations.*

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Executive Summary

*EU Inc. represents the EU's most ambitious attempt to create a single corporate framework across all Member States, aiming to eliminate legal fragmentation and enable seamless cross-border business operations. **If successfully implemented, it could shift Europe closer to a US-style single corporate market.***

What it is:	An optional, digital-by-default pan-European corporate structure — the cornerstone and starting point of the EU's 28th regime.
What it does:	Allows incorporation in 48 hours across all 27 Member States via one digital process — for near-zero cost. Auto-issues Tax ID and VAT.
What it does NOT do:	Does not touch labour law, taxation or insolvency. These remain fully national — unchanged.
Immediate client impact:	Limited at this stage. The proposal must still pass Council and Parliament negotiations. No immediate action required — but clients should monitor closely.
Strategic significance:	The most structurally significant EU corporate law initiative since the Societas Europaea (2004) — with explicit backing of Commission President von der Leyen.

48h online incorporation	€ 0 minimum capital	<€100 registration fee	27 member states	2027 target rollout
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1. What the Commission Officially Proposes

EU Inc. is an **optional, digital-by-default** European corporate framework — the cornerstone and starting point of the EU's 28th regime. It will make it easier for businesses to start, operate, and grow across the EU, incentivising them to stay in Europe and encouraging those who once looked elsewhere to return. Commissioner McGrath stated the proposal has the simple goal of reducing fragmentation and allowing business to operate in the Single Market under one clear set of corporate rules.

2. EU Inc. vs. National Company — Side by Side

Criterion	National Company (current)	EU Inc. — Official Proposal
Incorporation	Separate process per country	Single online process — 48 hours
Legal framework	27 different national systems	One harmonised EU rulebook
Min. capital	Varies — up to CHF 100k / €25k	Zero / minimal (€1 or none)
Reg. fee	€100–€1,000+ per jurisdiction	Below €100 — all 27 states
Cross-border	New entity required per country	One entity — 27 states covered
Data submission	Separate filings per Member State	Once-only — single EU interface
Tax ID / VAT	Apply separately per country	Auto-issued on registration
Digital register	27 separate national registries	Central EU digital register
Labour law	National rules apply	National rules — UNCHANGED
Taxation	National rules apply	National rules — admin simplified
Insolvency	National rules apply	To be addressed in future steps

3. Confirmed Benefits & Risks

✓ CONFIRMED BENEFITS

- Digital incorporation — 48h, fully online, no notary
- Zero or minimal minimum capital requirement
- Registration fee below €100 for all 27 states
- Once-only principle — single EU data submission
- Automatic Tax ID and VAT number on registration
- Central EU digital register — instant cross-border recognition
- Unified governance, share capital and creditor safeguard rules
- Unified ESOP / employee stock option tax treatment confirmed
- Cross-border office relocation without dissolution
- 492 MEPs in favour — strong cross-party political mandate

✗ RISKS & OPEN ISSUES

- Labour law entirely untouched — national rules apply in full
- Tax regime unchanged — national systems remain
- Insolvency rules not addressed in this initial proposal
- Regulatory arbitrage risk — companies may forum-shop for favourable national interpretations
- Interpretation fragmentation — national courts retain authority; risk of 27 diverging readings
- Trade unions warn of 'biggest loophole in history'
- Member States under no formal obligation to actively promote uptake
- Optional nature may mirror low uptake of SE (2004) and SPE (2010)
- Council unanimity required if tax elements are introduced
- Proposal stage — significant changes expected during trilogue

4. Corporate Governance Framework — What EU Inc. Regulates

<p>Management Body</p> <p>Single harmonised set of rules governing the structure and duties of the management or administrative body — no national variation.</p>	<p>Shareholder Rights</p> <p>Standardised shareholder rights framework applicable directly and uniformly across all 27 Member States.</p>
<p>Capital & Maintenance</p> <p>Unified rules for share capital issuance, transfer, and maintenance, including creditor safeguard provisions.</p>	<p>Digital Procedures</p> <p>Capital increases, shareholder votes, and all filings are digital by default throughout the company lifecycle.</p>
<p>Cross-Border Mobility</p> <p>EU Inc. entities may relocate their registered office between Member States without dissolution or re-incorporation.</p>	<p>Employee Stock Options</p> <p>Unified tax treatment of ESOPs — a confirmed key demand from the European startup and scaleup ecosystem.</p>

5. Legislative Timeline

Jan 2026	18 Mar 2026	19–20 Mar	End 2026	2027
EP vote 492:144 in favour	Commission proposal published TODAY ★	European Council summit	Commission target: Council agreement	First EU Inc. registrations

6. Implications for WVT Clients

Startups & Scale-ups	Primary target of the proposal. EU Inc. offers a genuine alternative to multi-jurisdiction incorporation for EU-based founders. Immediate relevance for clients planning EU expansion.
Established Companies	Optional — no obligation to migrate. Potential to simplify EU holding structures. Uncertainty remains around transition mechanisms and restructuring costs for existing companies.
ESOP & Equity Planning	Unified ESOP tax treatment confirmed — directly relevant for clients with employee equity programmes across multiple EU jurisdictions. Monitor final text closely.
Corporate Structuring	EU Inc. may become the preferred vehicle for cross-border group structures. Scope for non-listed limited liability entities still to be confirmed in final text.

7. WVT Assessment — The 'So What?'

WVT Assessment: EU Inc. is structurally significant — but its effectiveness will depend entirely on implementation and Member State alignment. The core tension is between ambition and optionality: a voluntary regime that does not harmonise tax or labour law risks becoming another underused instrument, as seen with SE (2004) and SPE (2010).

The **regulatory arbitrage risk** is real — once national courts begin interpreting the same rulebook differently, fragmentation returns through the back door, potentially creating 27 de facto regimes in place of one. This is the structural weakness at the heart of the proposal.

At this stage, immediate client impact is limited. The proposal must pass Council and Parliament negotiations, with the Commission targeting agreement by end of 2026. WVT recommends monitoring developments closely and assessing which clients could benefit from the new structure once the final legal text is confirmed. No immediate restructuring action is required or advisable at this stage.