

Company law: Commission presents Report on how the European Company Statute works for business

The European Commission has presented a Report to the European Parliament and the Council on the application of the Regulation on the Statute for a European Company (Societas Europaea or SE). In theory, the Statute gives companies operating in more than one Member State the option of establishing themselves as a single company under EU law. This would make them able to operate throughout the EU with one set of rules, including a unified management and reporting system. Today's Report is part of the review process of the SE Regulation. It includes a description of the positive and negative factors, which influence setting up an SE and highlights trends on the distribution of SEs throughout the EU. It also analyses the main problems encountered when setting up and running an SE. An accompanying Commission Staff Working Document supplements the assessment. It takes inventory of SEs and analyses the flexibility of relevant national legislation in the different Member States.

Internal Market and Services Commissioner Michel Barnier said: "*Today's Report gives a comprehensive assessment of how the European Company Statute has worked for European businesses thus far. Roughly 650 companies have been set up as SEs within the EU. The Statute has helped these companies to do business more easily in Europe, but there are issues that remain unaddressed. We are at a crossroads. The Report is a very good foundation for reflection on how to adapt the Statute to better meet the ever-changing needs of companies.*"

The European Company Statute has made it possible for companies with a European dimension to transfer the registered seat cross-border, to better reorganise and restructure, and to choose between different board structures. At the same time, it has upheld the rights of employees to be involved in decision-making within companies and has protected the interests of minority shareholders and third parties. The European image and supra-national character are additional advantages that the Statute offers to companies.

However, experience thus far with the SE Regulation has demonstrated that applying the Statute poses a number of practical problems. The SE Statute does not result in a uniform SE legal form across the European Union.. The Statute also contains multiple references to national law and uncertainty remains as to the legal implications of the Statute's directly applicable rules and their interface with national law. Furthermore, the uneven distribution of SEs across the European Union suggests that the Statute does not respond sufficiently well to the needs of companies in all 27 Member States.

The Commission is currently reflecting on potential amendments to the SE Statute, with a view to making proposals in 2012, if appropriate. Any such amendments, if put forward, would be carried out in parallel with any possible revision of the SE Directive, which would be subject to the consultation of social partners in accordance with Article 154 of the Treaty. More generally, any measures which the Commission would propose as a follow-up to the Report would be subject to better regulation principles, including an impact assessment.

Background

The European Company Statute, more commonly known by its Latin name 'Societas Europaea' or SE, was adopted on 8 October 2001 ([IP/01/1376](#), [MEMO/01/314](#)), after more than 30 years of negotiations. The Statute for a European Company (Council Regulation (EC) No 2157/2001) creates the legal form of "European public limited-liability company". It contains a set of rules directly applicable in all Member States, in particular on the formation and the structure of an SE. The legal regime of the SEs is completed with cross-references to the national legislation applicable to public limited-liability companies. Directive 2001/86/CE supplements the SE Statute with regard to the involvement of employees. Well known examples of successful SEs are Allianz, BASF, Porsche, Fresenius and MAN from Germany, SCOR from France, Elcoteq from Luxembourg and Strabag from Austria.

More information is available at:

http://ec.europa.eu/internal_market/company/se/index_en.htm