

Company law: further expanding and upgrading the use of digital tools and processes

2023/0089(COD) - 10/01/2025 - Final act

PURPOSE: to increase the amount and improve the reliability of company documents and information available in business registers or through the system of interconnection of registers, and to enable direct use of company data available in business registers when setting up cross-border branches and subsidiaries and in other cross-border activities and situations.

LEGISLATIVE ACT: Directive (EU) 2025/25 of the European Parliament and of the Council amending Directives 2009/102/EC and (EU) 2017/1132 as regards further expanding and upgrading the use of digital tools and processes in company law.

CONTENT: the Directive aims to **harness the potential of digital tools** to facilitate the life of entrepreneurs, reduce administrative burdens and make cross-border business faster, simpler and more transparent.

The new rules will make company's data more easily available, enhance trust and transparency in companies across member states, create more connected public administrations and reduce red tape for companies and other stakeholders in cross-border situations.

The main elements of the amending directive are as follows:

Preventive control

The Directive provides for a preventive administrative, judicial or notarial control or any combination thereof, respecting Member States' legal systems and legal traditions, including business registers which are administrative or judicial authorities, should be provided for in all Member States in order to ensure the reliability of company documents and information in cross-border situations.

More connected public administrations

To facilitate access to company information and create more connected public administrations on a cross-border basis in the internal market, it is important to connect the already-functioning, Union-level systems of interconnection that hold important company information. Therefore, the **system of interconnection of registers (BRIS)** should be connected with the Beneficial Ownership Registers Interconnection System (BORIS) which links national central registers containing information on the beneficial owners of companies and other legal entities, trusts and other types of legal arrangements, and with the Insolvency Registers Interconnection system (IRI). The Directive makes it possible to disclose information on limited partners through the Business Registers Interconnection System (BRIS), where such information is publicly available in the national registers.

Applying the 'only once' principle

Applying the 'once-only' principle entails that companies are not asked to submit the same information to public authorities more than once. For example, when setting up a subsidiary company in another Member State, companies should not have to resubmit the company documents or information relating to the existence and registration of the founder company already submitted to the register where the founder company is registered.

Applying the ‘once-only’ principle also means that the founder company should not have to resubmit the company documents or information to any authority, body or person.

EU Company Certificate

The Directive establishes a harmonised EU Company Certificate. The latter must be accepted in all Member States as **sufficient proof**, at the time of its issue, of the incorporation of the company and of the information held by the register in which the company is registered.

The EU Company Certificate will include the object of the company, using NACE codes, where national law allows the use of these codes and the object of the company is registered in the national register (the NACE code is a 6-digit code corresponding to the statistical classification of economic activities in the European Community).

Certain types of companies, such as partnerships or capital companies, will be able to obtain their EU Company Certificate in electronic form **free of charge**, unless this would seriously prejudice the financing of the national register, in which case the price may not exceed the administrative costs. The Commission will publish the **multilingual template** of the EU Company Certificate on the European e-Justice Portal.

EU Digital Power of Attorney

Member States will have to ensure that companies, for the purposes of procedures carried out in another Member State, in particular the incorporation of companies, the registration or closure of branches, cross-border conversions, mergers and divisions, can use an EU Digital Power of Attorney template to authorise a person to represent the company.

The Directive clarifies the elements that will have to be included in the EU Digital Power of Attorney, a multilingual standard template that will reduce formalities such as apostille or translation in cross-border procedures.

Safeguards in cases of reasonable doubt as to abuse or fraud

The authorities in another Member State may **exceptionally and on a case-by-case basis**, where they have reasonable grounds to suspect abuse or fraud, refuse to accept documents or information about a company from a register in another Member State as evidence of the registration of a company or its continued existence, or as evidence in respect of the specific company information that is the subject of suspicion of abuse or fraud.

Revision clause

Lastly, the Directive provides for the possibility of including **cooperatives** in the Company Law Directive in the future.

ENTRY INTO FORCE: 30.1.2025.

TRANSPOSITION: no later than 31.7.2027.