





Procedure file

Basic information		
INL - Legislative initiative procedure	2006/2013(INL)	Procedure completed
The European private company statute		
Subject 3.45.01 Company law		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	 Legal Affairs		12/12/2005
		PPE-DE LEHNE Klaus-Heiner	
	Committee for opinion	Rapporteur for opinion	Appointed
	 Employment and Social Affairs	The committee decided not to give an opinion.	
European Commission	Commission DG Financial Stability, Financial Services and Capital Markets Union	Commissioner MCCREEVY Charlie	

Key events			
19/01/2006	Committee referral announced in Parliament		
21/11/2006	Vote in committee		Summary
29/11/2006	Committee report tabled for plenary	A6-0434/2006	
01/02/2007	Results of vote in Parliament		
01/02/2007	Debate in Parliament		
01/02/2007	Decision by Parliament	T6-0023/2007	Summary
01/02/2007	End of procedure in Parliament		

Technical information	
Procedure reference	2006/2013(INL)
Procedure type	INL - Legislative initiative procedure
Procedure subtype	Request for legislative proposal
Legal basis	Rules of Procedure EP 47
Stage reached in procedure	Procedure completed

Documentation gateway

Committee draft report	PE378.635	15/09/2006	EP	
Amendments tabled in committee	PE380.659	24/10/2006	EP	
Committee report tabled for plenary, single reading	A6-0434/2006	29/11/2006	EP	
Text adopted by Parliament, single reading	T6-0023/2007	01/02/2007	EP	Summary
Commission response to text adopted in plenary	SP(2007)1016-2	27/02/2007	EC	
Commission response to text adopted in plenary	SP(2007)1426	10/04/2007	EC	

The European private company statute

The committee adopted the own-initiative report by Klaus-Heiner LEHNE (EPP-ED, DE) containing recommendations to the Commission on the European private company statute. The existing European Company (SE) statute is designed for large limited companies, but the committee wanted the Commission to draft a European Private Company (EPC) statute to help Europe's small and medium-sized enterprises (SMEs) to do business across borders.

The report was adopted under a special procedure provided for in Article 192 of the EC Treaty allowing Parliament to make a formal request to the Commission to come forward with a legislative proposal.

The report set out a number of detailed recommendations:

- an EPC statute should be based, as far as possible, on EU legislation, and thus dispense with references to national laws. The company law provisions of the European Company regulation should therefore apply exclusively, and the areas of law regulated in the proposal should be withdrawn from the jurisdiction of the Member States;
- it should be possible for an EPC to be established ex nihilo, or on the basis of an existing company, or following a merger between companies or in the context of a common subsidiary. It should also be possible to transform a European Private Company into a European Company;
- the EPC statute should apply to companies with a minimum capital of EUR 10 000 or the equivalent in another country at the time of registration. The minimum capital which determines the liability of members would not necessarily have to be paid in;
- the annexes to the proposed regulation should contain: (a) model articles of association which members may adopt wholly or in part; (b) for every Member State, the types of company with which the EPC is equated in respect of areas not covered by the regulation; (c) the designations of the company bodies in the various official languages of the EU;
- the EPC should be subject to the harmonised accounting provisions (as contained in Directives 78/660/EEC and 83/349/EEC) which apply in each Member State to the equivalent type of company;
- an EPC must be able to merge, change its registered office, split and change into a European joint stock company, as far as possible according to Community law which has been harmonised. It must also be possible for national companies to convert into EPCs, with existing employee rights being maintained; this also applies to the re-conversion of an EPC into a national legal form.

The recommendations also included provisions on the organisation of the EPC, the liability of executive directors to the company and insolvency procedures.

The European private company statute

The European Parliament adopted a resolution based on the own-initiative report drawn up by Klaus-Heiner LEHNE (EPP-ED, DE) containing recommendations to the Commission on the European private company statute. (Please see the summary dated 21/11/2006.) Parliament added a recital stating that the relevant *acquis communautaire* providing for cross-border information, consultation and participation rights of employees as well as safeguarding pre-existing employee participation rights (Directives 94/45/EC and 2005/56/EC) should be fully preserved. Consequently the conversion of a company with employee co-determination, information and consultation rights into an EPC should not result in the loss of those existing rights.