







Procedure file

Basic information		
INI - Own-initiative procedure	2016/2065(INI)	Procedure completed
Cross border mergers and divisions		
Subject		
2.60.04 Economic concentration, mergers, takeover bids, holding companies		
3.45.01 Company law		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	 Legal Affairs	 GASBARRA Enrico	14/06/2016
		Shadow rapporteur	
		 RADEV Emil	
		 DZHAMBAZKI Angel	
		 CAVADA Jean-Marie	
European Commission	Commission DG Internal Market, Industry, Entrepreneurship and SMEs	Commissioner BIENKOWSKA Elzbieta	

Key events			
28/04/2016	Committee referral announced in Parliament		
04/05/2017	Vote in committee		
09/05/2017	Committee report tabled for plenary	A8-0190/2017	Summary
13/06/2017	Results of vote in Parliament		
13/06/2017	Decision by Parliament	T8-0248/2017	Summary
13/06/2017	End of procedure in Parliament		

Technical information	
Procedure reference	2016/2065(INI)
Procedure type	INI - Own-initiative procedure
Procedure subtype	Implementation
Legal basis	Rules of Procedure EP 54
Other legal basis	Rules of Procedure EP 159
Stage reached in procedure	Procedure completed

Documentation gateway

Committee draft report		PE595.722	16/12/2016	EP	
Amendments tabled in committee		PE599.811	22/02/2017	EP	
Committee report tabled for plenary, single reading		A8-0190/2017	09/05/2017	EP	Summary
Text adopted by Parliament, single reading		T8-0248/2017	13/06/2017	EP	Summary
Commission response to text adopted in plenary		SP(2017)574	20/11/2017	EC	

Cross border mergers and divisions

The Committee on Legal Affairs adopted the report by Enrico GASBARRA (S&D, IT) on cross-border mergers and divisions.

Members recalled that in September 2014, the European Commission launched a public consultation procedure on cross-border mergers and divisions of undertakings. This consultation made it possible to gather information about the existing barriers to cross-border operations and about the amendments that needed to be made to existing legislation.

Stressing the importance of establishing a framework which regulates comprehensively the mobility of undertakings at European level, Members called on the Commission to devote attention to the results of the public consultation and propose new rules on cross-border mergers and divisions in the objectives of boosting internal market and fostering workers rights.

Members called for the revision of [Directive 2005/56/EC](#) on cross-border mergers of limited liability companies in order to improve its implementation and to take into account recent developments in both the case law of the CJEU on freedom of establishment of companies and in European company law.

The future legislative proposal should contain a fresh set of rules covering divisions of companies and should set out guidelines for further legislation on the mobility of companies.

Moreover, while recalling that [Directive 82/891/EEC](#) only regulates divisions of undertakings within a Member State, Members noted that the figures on domestic divisions show a real need to establish a special EU framework for cross-border divisions.

The report considered it important that future legislative proposals on the mobility of undertakings should include provisions concerning maximum harmonisation particularly regarding:

- procedural standards,
- assets and liabilities and accounting issues;
- the rights of minority shareholders;
- the establishment of minimum standards of information, consultation and codetermination of workers to improve their protection, in particular against social dumping.

Cross border mergers and divisions

The European Parliament adopted by 490 votes to 46, with 103 abstentions, a resolution on cross-border mergers and divisions.

Members recalled that the obstacles to full implementation of the Directive on cross-border mergers and the fact that there is no European Union law on cross-border divisions of undertakings entails manifest procedural, administrative and financial difficulties for the businesses concerned, as well as the risk of abuses and dumping.

The public consultation launched by the Commission in September 2014 provided information about the existing barriers to cross-border operations and about the amendments that needed to be made to existing legislation.

Stressing the importance of establishing a framework which regulates comprehensively the mobility of undertakings at European level, Parliament called on the Commission to devote attention to the results of the public consultation and propose new rules on cross-border mergers and divisions in the objectives of boosting internal market and fostering workers rights.

Mergers: Members called for the revision of [Directive 2005/56/EC](#) on cross-border mergers of limited liability companies in order to improve its implementation and to take into account recent developments in both the case law of the CJEU on freedom of establishment of companies and in European company law.

The future legislative proposal should contain a fresh set of rules covering divisions of companies and should set out guidelines for further legislation on the mobility of companies.

Divisions: while recalling that [Directive 82/891/EEC](#) only regulates divisions of undertakings within a Member State, Members noted that the figures on domestic divisions show a real need to establish a special EU framework for cross-border divisions. They stressed that any new directive should not be used as a formal instrument for divisions in an undertaking for the purpose of forum shopping to avoid legal obligations under national law.

Necessary amendments: the resolution considered it important that future legislative proposals on the mobility of undertakings should include provisions concerning maximum harmonisation particularly regarding:

- procedural standards,
- assets and liabilities and accounting issues;
- the rights of minority shareholders;
- the establishment of minimum standards of information, consultation and codetermination of workers to improve their protection, in particular against social dumping.