






Procedure file

| Basic information | |
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| <p>COD - Ordinary legislative procedure (ex-codecision procedure) Directive</p> <p>2023/0089(COD)</p> | Awaiting Council's 1st reading position |
| <p>Company law: further expanding and upgrading the use of digital tools and processes</p> <p>Amending Directive 2009/102 2008/0109(COD)</p> <p>Amending Directive 2017/1132 2015/0283(COD)</p> <p>Subject</p> <p>3.45.01 Company law</p> <p>Legislative priorities</p> <p>Joint Declaration 2023-24</p> | |

| Key players | | | |
|---|---|---|------------------------------------|
| European Parliament | <p>Committee responsible</p> <p> Legal Affairs</p> | <p>Rapporteur</p> <p> RADEV Emil</p> <p>Shadow rapporteur</p> <p> LEITÃO-MARQUES Maria-Manuel</p> <p> DZHAMBAZKI Angel</p> | <p>Appointed</p> <p>05/05/2023</p> |
| | <p>Committee for opinion</p> <p> Internal Market and Consumer Protection</p> | <p>Rapporteur for opinion</p> <p>The committee decided not to give an opinion.</p> | <p>Appointed</p> |
| <p>Council of the European Union</p> <p>European Commission</p> <p>European Economic and Social Committee</p> | <p>Commission DG</p> <p>Justice and Consumers</p> | <p>Commissioner</p> <p>REYNDERS Didier</p> | |

| Key events | | | |
|------------|---|-------------------------------|---------|
| 29/03/2023 | Legislative proposal published | COM(2023)0177 | Summary |
| 17/04/2023 | Committee referral announced in Parliament, 1st reading | | |
| 29/11/2023 | Vote in committee, 1st reading | | |
| 29/11/2023 | Committee decision to open | | |

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| | interinstitutional negotiations with report adopted in committee | | |
| 05/12/2023 | Committee report tabled for plenary, 1st reading | A9-0394/2023 | Summary |
| 11/12/2023 | Committee decision to enter into interinstitutional negotiations announced in plenary (Rule 71) | | |
| 13/12/2023 | Committee decision to enter into interinstitutional negotiations confirmed by plenary (Rule 71) | | |
| 08/04/2024 | Approval in committee of the text agreed at 1st reading interinstitutional negotiations | | |
| 24/04/2024 | Decision by Parliament, 1st reading | T9-0360/2024 | |

| Technical information | |
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| Procedure reference | 2023/0089(COD) |
| Procedure type | COD - Ordinary legislative procedure (ex-codecision procedure) |
| Procedure subtype | Legislation |
| Legislative instrument | Directive |
| | Amending Directive 2009/102 2008/0109(COD) Amending Directive 2017/1132 2015/0283(COD) |
| Legal basis | Treaty on the Functioning of the EU TFEU 114; Treaty on the Functioning of the EU TFEU 050-p1; Treaty on the Functioning of the EU TFEU 050-p2-ag |
| Other legal basis | Rules of Procedure EP 159 |
| Mandatory consultation of other institutions | European Economic and Social Committee |
| Stage reached in procedure | Awaiting Council's 1st reading position |
| Committee dossier | JURI/9/11686 |

| Documentation gateway | | | | | |
|---|--|--|------------|------|---------|
| Legislative proposal | | COM(2023)0177 | 29/03/2023 | EC | Summary |
| Document attached to the procedure | | SEC(2023)0377 | 30/03/2023 | EC | |
| Document attached to the procedure | | SWD(2023)0177 | 30/03/2023 | EC | |
| Document attached to the procedure | | SWD(2023)0178 | 30/03/2023 | EC | |
| Document attached to the procedure | | SWD(2023)0179 | 30/03/2023 | EC | |
| Document attached to the procedure | | N9-0046/2023 OJ C 253 18.07.2023, p. 0008 | 17/05/2023 | EDPS | |
| Economic and Social Committee: opinion, report | | CES1272/2023 | 14/06/2023 | ESC | |
| Committee draft report | | PE751.881 | 19/07/2023 | EP | |
| Amendments tabled in committee | | PE753.448 | 18/09/2023 | EP | |
| Committee report tabled for plenary, 1st reading/single reading | | A9-0394/2023 | 05/12/2023 | EP | Summary |
| Text adopted by Parliament, 1st reading/single reading | | T9-0360/2024 | 24/04/2024 | EP | |

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

PURPOSE: to further expand the use of digital tools and processes in EU company law.

PROPOSED ACT: Directive of the European Parliament and of the Council.

ROLE OF THE EUROPEAN PARLIAMENT: the European Parliament decides in accordance with the ordinary legislative procedure and on an equal footing with the Council.

BACKGROUND: companies are at the heart of the single market. Thanks to their business activities and investments, including on a cross-border basis, they play a leading role in contributing to the EU's economic prosperity, competitiveness and in carrying through the EU's twin transition to a sustainable and digital economy. To this end, companies need a predictable legal framework that is conducive to growth and adapted to face the new economic and social challenges in an increasingly digital world. The proposed measures will apply to around 16 million limited liability companies and 2 million partnerships in the EU.

The proposal is expected to bring a strong positive recurrent administrative costs saving for companies, of around EUR 437 million per year.

This proposal upgrades EU digital company law further through the use of digital tools and processes. While the proposal focuses primarily on online procedures and electronic copies and extracts of company documents or information, its provisions take into account both the physical and digital environment and also address physical procedures, e.g. any other forms of formation of companies than fully online, and paper copies and extracts.

The proposal is updating the existing EU rules for companies (Directive (EU) 2017/1132) to adapt them further to the digital developments and new challenges, and to stimulate growth and competitiveness in the single market.

CONTENT: the proposals overall objectives are to enhance transparency and trust in the business environment, achieve more digitalised and connected cross-border public services for companies, and easier cross-border expansion for SMEs leading, in turn, to a more integrated and digitalised single market.

In particular, the proposal aims to:

- make more information about companies (e.g. about partnerships and groups of companies) publicly available in particular at EU level through the Business Registers Interconnection System (BRIS);
- ensure that company data in business registers is accurate, reliable and up-to-date, for example by providing for checks of company information before it is entered in business registers in all Member States;
- cut red tape when companies use company information from business registers in cross-border situations, e.g. by removing formalities such as the need for an apostille for company documents, applying the once-only principle when companies set up subsidiaries and branches in another Member State, and introducing a multilingual EU Company Certificate to be used in cross-border situations. Companies will benefit from reduction in administrative burden estimated at around EUR 437 million per year.

The new proposal, among other things, uses and expands the scope of the existing Business Registers Interconnection System (BRIS), which financing by the EU budget is mandatory under EU law, and that is already being funded by the Digital Europe Programme and managed by the Commission. In addition, the proposal does not introduce any new IT systems, but builds on the use of the existing and operational system of interconnection of registers as well as on the eIDAS Regulation.

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

The Committee on Legal Affairs adopted the report by Emil RADEV (EPP, BG) on the proposal for a directive 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.

The committee responsible recommended that the European Parliament's position adopted at first reading under the ordinary legislative procedure should amend the proposal as follows:

With a view to reducing administrative burden for companies in order for them to fully benefit from a harmonised, integrated and digitalised single market, without administrative barriers, Members proposed the following changes:

Complementary public electronic controls of identity, legal capacity and legality

The report stated that the legality of company law transactions, the protection of reliable public registers and the prevention of illegal activities require the correct and secure identification of the participants to company law transactions as well as the verification of their legal capacity. The reliable identification of the customer in line with the know-your-customer principle under AML/CFT rules is the prerequisite for any AML/CFT customer due diligence obligations and thus any ML/TF prevention.

Therefore, for the procedures within the scope of this Directive, Member States should be allowed to provide for complementary public electronic controls of identity, legal capacity and legality. Those complementary public electronic controls could include public remote audio-visual identity controls, including electronic checks of identity photos.

EU Company Certificate

To encourage companies to apply for an EU Company Certificate, the amended text stated that Member States should ensure that each company listed in Annexes II and IIB, as well as third parties which need reliable essential information about companies, may obtain its EU Company Certificate in electronic format free of charge.

EU digital power of attorney

Members consider that the EU power of attorney should be signed using qualified electronic signatures or in case the digital EU power of attorney is certified or authenticated, the certifying or authenticating authority should use qualified electronic signatures or seals. Once filed, the digital EU power of attorney should be deemed to be valid in its published form until an amendment or revocation has been published in the register. Any amendment or revocation of the EU power of attorney has to be published in the register.

Competent authorities, registers or any other third party who can demonstrate legitimate interest, should have access to the digital EU power of attorney in the register of the company. Any charge for accessing such document should be proportionate to the actual cost for the register.

| Transparency | | | | |
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| LEITÃO-MARQUES Maria-Manuel | Shadow rapporteur | JURI | 18/09/2023 | Council of the Notariats of the European Union |
| LEITÃO-MARQUES Maria-Manuel | Shadow rapporteur | JURI | 05/09/2023 | Brussels Office of the Austrian Chamber of Civil Law Notaries |
| LEITÃO-MARQUES Maria-Manuel | Shadow rapporteur | JURI | 04/09/2023 | Fleishman-Hillard Global Legal Entity Identifier Foundation |
| LEITÃO-MARQUES Maria-Manuel | Shadow rapporteur | JURI | 04/09/2023 | Council of Bars and Law Societies of Europe |
| RADEV Emil | Rapporteur | JURI | 18/07/2023 | Conseil des Notariats de l'Union Européenne |
| RADEV Emil | Rapporteur | JURI | 06/06/2023 | Österreichische Notariatskammer |