



Contribution to the Public Consultation concerning the legislative proposal on a 28th legal regime for companies ("EU Inc.", COM(2026) 321 final)

by the Austrian Chamber of Civil-Law Notaries

EU-Transparency register number: 6475183729-37

The Austrian Chamber of Civil-Law Notaries (Österreichische Notariatskammer) welcomes the opportunity to contribute to the public consultation on the European Commission's proposal for a Regulation of the European Parliament and of the Council on a 28th legal regime for companies ("EU Inc.") (COM(2026) 321 final; 2026/0074) of 18 March 2026. Austrian notaries, standing side-by-side with businesses, support the Commission's objective of strengthening the efficiency, digitalisation and competitiveness of the European Single Market. However, they also highlight the importance of legal certainty and the rule of law as factors that give the EU a competitive advantage in terms of location. Being aware of the urgency that the current geopolitical environment imposes, we wish to emphasise that competitiveness and legal certainty are not opposites but are intrinsically linked. The proposal in its current form raises a number of fundamental questions which are addressed in detail in the position below.

I. General Remarks

Austrian notaries support the Commission's goal of reducing the outflow of start-ups from Europe, of attracting investors and of facilitating the setting-up and scaling-up of companies in the European Single Market. Precisely against the background of current geopolitical developments, the European Union has a particular role to play as an area of reliable enforcement of the law, stable institutions and a high level of legal certainty. These qualities are themselves a decisive competitive advantage. As demonstrated by the work of the Nobel Prize laureates Daron Acemoglu, Simon Johnson and James A. Robinson, **strong and reliable legal institutions are a key driver of sustainable economic growth**. This principle is also firmly embedded in the existing EU acquis, in particular in Regulation (EU) No 910/2014 (eIDAS, as amended by Regulation (EU) 2024/1183, notably Article 2 par 3) and in Directive (EU) 2017/1132 (Company Law Directive, as amended by Directive (EU) 2025/25 (Digital Tools Directive II, notably Article 10 and Recitals 9 and 10), which expressly recognise the importance of national form requirements and of preventive administrative, judicial or notarial control in ensuring the reliability of company data and the prevention of fraud.

The **digitalisation of administrative processes** and the development of **efficient one-stop-shop** solutions have long been of particular importance to Austrian notaries, who have taken an active stance in respective developments and offered services, and therefore play a leading role in digital company procedures. In this respect, the **Austrian Notariat already offers a one-stop-shop** model, similar to that envisioned by the Commission, though with the additional benefit of **included legal controls: fully digital**, completed **within 24 hours** and at **low cost**. Today, Austrian notaries can incorporate a limited liability company ("GmbH") or a flexible company ("FlexKapG") within 24 hours. This involves carrying out a single integrated procedure that includes identity verification, legal advice, drafting the articles of association, paying the share capital, and directly filing the documents digitally with the Companies Register ("Firmenbuch"). Austrian notaries handle approximately 15,000 incorporations of capital companies each year, and their expertise is particularly relevant for the roughly 90 % of small and medium-sized enterprises in Austria, to whom they offer not only legal certainty but also strategic advice on the appropriate legal form and on individual contractual arrangements. The core ideas of EU Inc. – fully digital



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incorporation within 48 hours at low cost – are already well-established in Austria without compromising legal certainty.

With the entry into force of the **Digital Tools Directive II** ([Directive \(EU\) 2025/25](#)), European company law has reached a new stage, pursuing an autonomous European approach and advancements in digitalisation in the Member States, while building on the EU Acquis. It reflects a fundamental **regulatory-policy choice by the legislators** of the European Union **in favour of the continental-European tradition of company law**, embedded in an efficient system of **preventive administration of justice** (“vorsorgende Rechtspflege”), in which company structures are recorded in public registers with comprehensive effects of publicity and good faith, and in which the necessary reliability of the underlying data is ensured by public preventive control.

The proposal for an EU Inc. departs from this line. The arrangements it foresees shift control and risk from the preventive (*ex ante*) phase to the downstream (*ex post*) phase, while at the same time privatising central verification and safeguarding functions – for instance in the case of share transfers. This is accompanied by a considerable lowering of the level of protection for shareholders, creditors, employees and legal transactions as a whole, and it may facilitate identity theft, money laundering, the circumvention of sanctions and tax evasion. It therefore appears essential that the reliability of register information, the secure attribution of shareholdings and central state control functions are preserved and not sustainably impaired.

A significant part of the regulatory content of the EU Inc. proposal is, moreover, already part of the existing EU acquis respectively of the acquis currently being implemented. Under the **Digital Tools Directive I** ([Directive \(EU\) 2019/1151](#)), the Member States have already ensured that the incorporation of certain capital companies, the establishment of branches and the filing of documents and information throughout the life cycle of companies can be carried out fully online, without the founders or applicants having to appear in person before the competent authority. The **once-only principle**, according to which information subject to registration need be submitted only once, is likewise already addressed by the Digital Tools Directive II and is to be anchored in the course of its transposition. The pan-European digitalisation of company law is therefore already under way. The sound and legally secure transposition of the **Digital Tools Directive II** requires time where it does not – as in Austria – already constitute established practice. Given the considerable further digitalisation of company law that will result from the implementation of the Digital Tools Directive II, and in light of the relatively near **transposition deadline of 31 July 2027**, the Austrian Chamber of Civil-Law Notaries considers it appropriate to await the completion of that process before adopting additional legislative measures in the same field. Doing so would allow the Union to evaluate the benefits of the forthcoming reforms and ensure that any future EU Inc. framework complements, rather than duplicates or conflicts with, the digital structures already being established by Member States.

Another point is the assumption of the proposal for the EU Inc. that the digitalisation it provides for will automatically lead to cost reductions. It is correct that digitalisation, if appropriately designed, can generate efficiency gains and simplify procedures, and the Chamber supports this in principle; the Member States have in recent years made considerable investments in digital systems on which it would be sensible to build. However, the proposal fails to recognise that **digitalisation and legal certainty are not in conflict**. On the contrary, the Austrian experience with digital procedures in company law shows that digital processes are entirely compatible with effective control, legal certainty and protective functions – and that within 48 hours. Efficient digitalisation therefore does not presuppose the abandonment of upstream verification mechanisms but can and should be reconciled with them.

The assessment of the proposal should not lose sight of the **competition between the company-law forms of the Member States**, which is itself a driver of innovation. Austria has recently

created, as its own initiative, the flexible company (“FlexKapG”) tailored specifically to start-ups and innovative companies. In the view of Austrian notaries, the levers that would genuinely strengthen Europe’s position are a swift agreement on the Savings and Investments Union, improved access to capital and better conditions for scaling, rather than the creation of an additional supranational legal form that potentially adds new complexity and systemic risk – all the more so as the unclear legal basis of the proposal itself generates legal uncertainty that is liable to delay the legislative process.

Company law is not only the law of the founders and of their company; it is equally a law of the public. The proposal is strongly oriented towards the interests of founders and towards the fastest and most cost-effective incorporation possible. That aim is, in itself, to be welcomed – and it is already established practice in Austria. The essential difference in relation to existing national legal forms lies, however, in the fact that the latter incorporate a balance of interests secured by concrete protective mechanisms: preventive control by the notary and the court, the verification of the identity and legal capacity of the founders, the control of the raising of capital and the examination of the legality of the articles of association. These mechanisms protect not only the founders themselves but also the public of company law: creditors, investors, contractual partners, employees, authorities and, eventually, the general public. Legality-control and transparency function ensure clarity on key questions, such as who stands behind the company, reflecting also the function of the company register and the importance of respective reliability of data. These central functions of company law must not be lost in the pursuit of speed and cost reduction.

Finally, the Austrian Chamber of Civil-Law Notaries considers it essential that the EU Inc. is clearly conceived as a new legal form introduced in addition to the national forms of limited liability companies, with respective consequence for the choice of the legal basis. In this vein, the articles of association of an EU Inc. should not be able to pre-empt the mandatory provisions of the national law applicable to comparable limited liability companies; this approach is more consistent with the EU acquis (as laid down, for example, in Article 9 of Regulation (EC) No 2157/2001 on the Societas Europaea). The Austrian Chamber of Civil-Law Notaries accordingly proposes that Article 4 should be amended to provide that EU Inc. companies are governed by the Regulation and, where authorised by it, by their articles of association in compliance with national law, and that the relevant national legal form designated by the Member States be selected from among those listed in Annex II to Directive (EU) 2017/1132, so that the EU Inc. cannot be used to evade the application of the EU acquis.

Following these general remarks, the Austrian Chamber of Civil-Law Notaries would like to make the respective remarks on the substance below.

II. Legal basis and scope of application

The Commission bases the proposed Regulation on Article 114 TFEU. In the preceding public consultation and impact assessment, as well as in the Commission’s work programme for 2026, both Article 50 and Article 114 TFEU were cited as possible legal bases, and it remained open until shortly before publication whether the 28th regime would be presented as a directive or as a regulation. The proposal does not confine itself to harmonising individual aspects of company law; rather, with the EU Inc. it creates a new, self-standing legal form that is largely detached from the existing national legal orders. The choice of Article 114 TFEU, which requires only a qualified majority in the Council, appears to be motivated by practical considerations, namely by the fact that this provision, unlike Article 352 TFEU, does not require unanimity. This constitutes a notable departure in European company law: until now, the creation of a new European legal form by way of a regulation has consistently been based on Article 352 TFEU (as in the case of the EEIG, the SE and the SCE).

The competence of the Union to base a regulation establishing a company-law 28th regime on Article 114 TFEU is doubted by academics, legal experts in service units and many stakeholders alike. According to the prevailing view, Article 114 is a *lex generalis* in relation to Article 50 and empowers measures for the approximation of laws for the functioning of the Single market; it authorises only the approximation of laws, not their unification, and cannot therefore serve as a basis for creating *sui generis* supranational company forms. As a *lex generalis*, Article 114 yields to Article 50 in the field of freedom of establishment where the latter's scope is engaged. In this connection, reference may be made to Professor Jacques Ziller, who was entrusted by the Committee on Legal Affairs of the European Parliament (JURI) in 2025 with assessing the admissibility of the 28th regime in terms of competence. In the run-up to the Parliament's resolution on their own initiative report of 20 January 2026 (2025/2079(INL)), Ziller pointed out that the proposal does not bring about any approximation of national law – for instance by aligning the Member States' rules for public limited or private limited companies. This approximation of national laws would, however, be a mandatory precondition for recourse to Article 114 TFEU. The EU Inc. is, by contrast, an additional legal form available to European companies on an optional basis in addition to national company law. With this additional layer it also risks producing an effect contrary to the objective of Article 114 TFEU by further aggravating the existing legal complexity. The Court of Justice has held, in relation to the European Cooperative Society (SCE), that the Union legislator is not permitted to create, on the basis of Article 114 TFEU, a new form of company superimposed on the national forms (Case C-436/03).

The Austrian Chamber of Civil-Law Notaries therefore suggests that, as an alternative to Article 114 TFEU, Article 352 TFEU should be considered, which has consistently been used to create new supranational legal forms (the EEIG, the SE and the SCE) and permits both a directive and a regulation; the Court of Justice has expressly confirmed Article 352 as the correct legal basis of the SCE Regulation. Recourse to Article 352 would allow the Commission to enact the EU Inc. in the form of a single regulation and thereby to guarantee uniform rules in all Member States – an approach also advocated by Ziller in his 2025 opinion. This is all the more relevant since the proposal regulates the EU Inc. not only in company-law terms but also contains provisions of tax and insolvency law, which casts further doubt on whether the merely subsidiary Article 114 TFEU may be relied upon. Given that the proposal creates a new legal form with far-reaching effects on the continental-European legal order as such, there is a significant need for clarification as to compliance with the rules on competence and as to the relevant legal basis. For the sake of legal certainty and the well-functioning of the Single Market, the Austrian Chamber of Civil-Law Notaries strongly suggests to review the choice of the legal basis.

III. General principles, formation and registration of the EU Inc. (Chapters I, II and III)

The core features of the proposal are a fully digital formation within 48 hours, a maximum cost of EUR 100 and the absence of a minimum capital requirement. Company law is not only the law of the founders and of their company; it is equally a law of the public. The proposal is strongly oriented towards the interests of founders and towards the fastest and most cost-effective incorporation possible. That aim is, in itself, to be welcomed – and it is already established practice in Austria. The essential difference in relation to **existing national legal forms** lies, however, in the fact that the latter incorporate a **balance of interests** secured by **concrete protective mechanisms**: preventive control by the notary and the court, the verification of the identity and legal capacity of the founders, the control of the raising of capital and the examination of the legality of the articles of association. These mechanisms protect not only the founders themselves but, above all, the public of company law – creditors, investors, contractual partners, employees, authorities and the general public.



Under the proposal, these protective functions clearly recede. The preventive control provided for is deliberately limited to formal minimum requirements such as the company name, the corporate purpose and the power of representation, whereas a comprehensive verification of the identity of those involved or of the beneficial owners is not foreseen. Central control functions are thereby shifted from the State to the company itself. This is reinforced where the company is incorporated using the EU model templates for articles of association, since essential control mechanisms that constitute the basis for the registration of companies in many legal orders fall away or are considerably weakened. The provision of such templates without sufficient upstream legal examination or individual adaptation may result in the interests of the founders not being adequately taken into account. A registration without any control of legality or of the identity of the founders also leads to a serious deficit in the trustworthiness, and thus usefulness, of the Member States' registers, in particular as regards the control of legality, the prevention of abuse and the prevention of money laundering. This roll-back of preventive control also stands in marked contradiction to the current direction of European legislation in another field. With the AMLA Regulation (Regulation (EU) 2024/1620) and the Sixth Anti-Money-Laundering Directive (Directive (EU) 2024/1640), the Member States have, in recent years, deliberately opted for due-diligence obligations in identifying beneficial owners and for requirements on the transparency of company structures.

As the shift away from preventive control is quite pronounced with view to the formation and registration procedure, despite Article 14 of the proposal, the Austrian Chamber of Civil-Law Notaries would like to make the following comments on concrete points below.

(a) A fully digital, platform-based procedure

Under the proposal, the formation of an EU Inc. and its entry in the respective national register are purely digital, taking place either through an EU central interface based on the Business Registers Interconnection System (BRIS) or through interaction with the national competent authorities for registration; the application is signed by means of an electronic signature within the meaning of the eIDAS Regulation (for example ID Austria), and the electronically signed articles of association are to be attached. In the procedure for formation and for amendments to the articles of association, the required documents pass from the platform directly to the competent authority for the company register (in Austria: "Firmenbuchgericht"), which would then forward the information to the body responsible for the preventive control. After the check, the documents return to the competent authority for registration.

The Austrian Chamber of Civil-Law Notaries supports digitalisation and acknowledges its efficiency gains. However, it would like to recall the importance of non-digital alternatives for certain societal groups. In this vein, it proposes to frame the principle of digital-only procedures as optional. Online procedures should be possible, however without prejudice to the possibility of also using non-online procedures. In accordance with the EU acquis reflected also in Recital 22 of the **Digital Tools Directive I** (Directive (EU) 2019/1151), Member States should retain the right to specify how online procedures may be carried out, including by means of videoconference or other online means providing a real-time audio-visual connection.

Moreover, a central concern of the Austrian Chamber of Civil-Law Notaries is the point of the identity verification and a lack of preventive control, which does not seem to be effectively ensured, neither in the course of the formation process nor in the further lifecycle of the EU Inc. Ensuring legal certainty with regard to company structures and guaranteeing reliability through preventive control is a key factor for the locational attractiveness of the EU. Including rather formal checks, such as laid down in Article 14 and following of the proposal, does not live up to the high standards currently secured in the existing legal system of company law.



As regards the technical architecture, the Austrian Chamber of Civil-Law Notaries proposes that the EU central interface could be integrated in the e-Justice portal and be fully interoperable and connected with the national portals of the competent preventive-control authorities, persons or bodies (for example national notarial or court portals), rather than being limited to BRIS, which, even after fifteen years, may not fully perform as envisioned.

Also, the Austrian Chamber of Civil-Law Notaries suggests the deletion of the provision on a central EU register, as it does not align with the principle of subsidiarity, and could further unnecessarily bind EU resources on an issue where well-functioning national mechanisms are already in place. The question of appeal stages remains open on this point.

(b) Fast-track formation in 48 hours for EUR 100 using EU templates

The fully digital formation in under 48 hours at a low cost is already possible with Austria notaries acting as a one-stop-shop. For newly established undertakings, registration in the company register can be free of charge in Austria.

Where EU templates for the standard articles of association according to Article 8 are used, any requirement to have the articles drawn up and certified in due legal form in accordance with national law is deemed to have been fulfilled. The Austrian Chamber of Civil-Law Notaries proposes that the EU templates – if at all – should be drawn up by the Member States in compliance with the Regulation and the applicable national law, following to advice from an expert group constituted of a broad range of legal professionals. Moreover, the Austrian Chamber of Civil-Law Notaries would like to point out the difficult endeavour to capture the complexity of life in one document following a “one size fits all”-approach. Furthermore, it seems to be a highly complex to impossible task to prepare a single EU template that could comply simultaneously with the company laws of all Member States, and the adoption of national templates seems more compatible with the principle of subsidiarity, which is also the solution already chosen in Directive (EU) 2019/1151. Above all, the use of templates does not exempt the competent authority – be it administrative, judicial or notarial – from verifying the legal capacity and authority to represent of the applicants, respectively from conducting any legality checks on a case-by-case basis. Without such examination respectively individual adaptation, also the interests of the founders may not be adequately taken into account. This precisely reflects the solution adopted in Article 10 of Directive (EU) 2025/25, under which preventive control is carried out by way of drawing up and certifying the articles of association in due legal form, including when templates are used.

As regards the timeframe, the Austrian Chamber of Civil-Law Notaries proposes the relevant period to run from the reception of the documents needed to carry out the preventive control, and that the reference to “48 hours” be replaced by “2 working days” (consistent with the criterion of 5 working days used where templates are not used).

(c) Lack of preventive control

As drafted, the proposal limits the preventive control to certain formal aspects – such as compliance with the requirements for the articles of association, the name and the object of the company, and the legal capacity and authority to represent of the applying persons. As critically pointed out above, a comprehensive verification of the identity of relevant stakeholders is not foreseen, with Article 14 formally mandating preventive control but leaving out substantive checks. Thus, it reduces the level of control in the company law acquis of the EU, resulting in a serious deficit in legal certainty as a whole.

Against this backdrop, it is proposed that Article 14 be amended so that it aligns with Recital 9 and Article 10 of Directive (EU) 2025/25. First, the scope of the preventive control should be broadened beyond formation and amendments to the articles of association to cover the transfer and issuance of shares and the dissolution, liquidation and closure of the EU Inc., so that the necessary



preventive control can be guaranteed throughout the lifecycle of the company. Secondly, the control should verify not only formal requirements but also the accordance with substantive legal requirements. Thirdly, it should be without prejudice to national laws that require the articles of association to be drawn up and certified in due legal form.

Company formations with cross-border effect require, under existing anti-money-laundering standards, a qualified identity and legality control by independent legal bodies. A qualified gatekeeper should therefore examine the formation of an EU Inc. as well, so as not to undermine money-laundering prevention. In particular, the formation of an EU company should include a verified determination of the ultimate beneficial owners (UBO), with a mandatory check of the ownership structure against the UBO register, sanctions lists and PEP lists. Article 10 of the Digital Tools Directive II already underlines this high register standard, with public *ex ante* control prior to the entry of data in the company register.

In this context, the Austrian Chamber of Civil-Law Notaries would also like to draw attention to the concept of the electronic filing agent, which could possibly lead to having one agent for a big number of companies, as it can be seen in Delaware (USA). This could undermine the level of control, as it adds an intermediary screen between the persons who actually own and run the company and the competent national authorities, thereby also facilitating letterbox companies and the concealment of the identity of the owners.

(d) Split of seats

Another concern of the Austrian Chamber of Civil-Law Notaries also lies in the possible separation between the formal state of the registered office and the state in which a company is actually active. If companies can register their EU company in a Member State without exercising any substantial economic activity there, a model could develop within the EU that resembles the so-called “**Delaware effect**” in the United States: a single state with lower regulatory requirements could develop into a preferred location for company registrations, while economic activities take place predominantly in other states. Such a model would entail several potentially problematic consequences: an increase in letterbox companies, distortions of competition between Member States, and an erosion of national tax revenues through possible **forum shopping** and the associated tax flight. Despite detrimental effects on social standards, such as for employees of respective EU Inc. companies, also for Member States with high regulatory and tax standards this could lead to a structural disadvantage in the Single market.

(e) The once-only principle

Moreover, the proposal provides for the company register to transmit data directly to other authorities (for example tax authorities) under the once-only principle. While the Austrian Chamber of Civil-Law Notaries supports the once-only principle, which also is already addressed by the Digital Tools Directive II, it stresses that this principle must not prevent necessary updates or verifications of data, particularly in dynamic areas such as powers of representation, where up-to-date and verified information is essential to avoid misuse, fraud and legal uncertainty.

IV. Subsidiaries and branches (Chapter IV)

The establishment and registration of subsidiaries and branches is to be carried out digitally and in a standardised manner; BRIS plays a central role here, since the required information is to be taken largely from existing register data, with only a limited check being required, and the procedure may also be carried out via the EU Business Wallets, which are to be established according to COM (2025) 838 final. While the use of digital instruments to simplify cross-border procedures is, in principle, to be supported, the Chamber notes critically that the establishment of a branch is associated with significant legal consequences and should therefore be subject to high

requirements as regards the verification of identity, legal capacity, powers of representation and other legality checks, in order to prevent regulatory arbitrage, tax avoidance, the circumvention of labour-law protection standards and the creation of abusive structures. The registration of branches should therefore – like the formation of an EU Inc. itself – provide for substantive involvement of public preventive control. While the EU Business Wallets can serve as a technical aid for the secure transmission and authentication of data, they cannot serve as a substitute for preventive control and advisory functions provided, among others, by notaries.

The Austrian Chamber of Civil-Law Notaries accordingly proposes to have Article 28a of Directive (EU) 2017/1132 to the EU Inc. apply directly to the EU Inc., as this Article already requires Member States to permit the online registration of branches and to ensure respective procedures guaranteeing the verification of the legality of the object of a branch, its name and the documents and information submitted.

V. Shares, the digital register of shares and share transfers (Chapter VI)

Under the proposal, the shares of an EU Inc. are to exist only in digital form and to be recorded in a digital register of shares maintained by the company itself. The registration of shares into the register shall have constitutive effect. Shares are, in principle, freely and exclusively digitally transferable by means of a qualified electronic signature. Notaries are explicitly excluded from the process and Member States may not impose any additional form requirements. The validity of the transfer is verified by the company itself and effected by entry in the register.

In this context, the Austrian Chamber of Civil-Law Notaries would like to point out that good faith can only be effectively protected where it relies on public documents and registers. A register that is self-administered by the company and at the same time has constitutive effect is, by contrast, vulnerable to manipulation: there are no mandatory safeguards to evidence when, and by whom, the register was created or amended, and to link such an insecure tool directly to the constitution of share ownership would give the administrator of the registry competences incompatible with the basic principles of legal certainty and the protection of property. The Austrian Chamber of Civil-Law Notaries therefore proposes that the registration of shares into the register should not have constitutive effect, that Member States be permitted to provide that the register is maintained as part of the business register or in accordance with the applicable national law, and that the mandatory issuance of digital share certificates be deleted, since it provides no tangible added value and public faith should not be tied to a carrier that has no basis for its presumption.

The explicit exclusion of notarial authentication disregards an important protective purpose. Share transfers are a particularly sensitive moment in the lifecycle of start-ups, in which inexperienced founders frequently face highly professional investors. The risks arising from eIDAS-based processes – in particular the lack of reliable identity verification in cases of identity theft and the absence of checks concerning legal capacity – together with the absence of any substantive review of legality by a neutral party, may result in contractual terms being unilaterally imposed and ultimately proving invalid. Without preventive control, EU Inc. companies would lack a reliable ownership framework, with the risk that the model attracts those seeking to circumvent anti-money-laundering and counter-terrorist-financing rules, sanctions or tax obligations. The Chamber therefore proposes that Member States be allowed to subject share transfers to stricter formal requirements, such as notarial authentication. Moreover, the registration in the digital register should not have constitutive nature for the transfer.

Moreover, with view to non-par value shares, the Austrian Chamber of Civil-Law Notaries likes to emphasise the importance of a link between the shares and the corresponding capital in order to prevent opaque ownership and control structures while preserving flexibility in investment design. In relation to the issuance of new shares, the Chamber points out that any change in capital is an

amendment of the articles of association and should be subject to the respective requirements, with Member States being allowed to provide for complementary public controls of identity, legal capacity and legality, in line with Directive (EU) 2025/25, since qualified electronic signatures do not ensure unambiguous identification.

VII. Creditor protection, dissolution and liquidation (Chapter IX) and insolvency (Chapter X)

The proposal contains a separate chapter on the dissolution and winding-up of the EU Inc., including a digital “fast-track” procedure, as well as a simplified digital winding-up procedure (“simplified winding-up”) for insolvent EU Inc. companies – limited to innovative start-ups – by means of online auctions. The Chamber views these special arrangements critically. There is a risk that existing capital companies might convert into the legal form of the EU Inc. shortly before the onset of insolvency in order to benefit from the easier winding-up and to evade stricter national insolvency rules, with the result that important protective mechanisms of national insolvency law, and the creditor protection that is well anchored in Austria, could be significantly weakened. Account should also be taken of the additional financial and administrative burdens that the proposal would entail for the Member States. The Austrian Chamber of Civil-Law Notaries proposes, in line with the EU Acquis (*cf* Regulation (EC) No 2157/2001), to recognise the dissolution as a structural corporate measure rather than a purely administrative procedure, consequently treating it as an amendment to the articles of association requiring a qualified majority, and thus remaining subject to preventive control.

VIII. Conclusion

Ultimately, it can be noted that, whilst the introduction of a legal form such as an ‘EU Inc.’ does indeed pursue legitimate objectives in line with the Single market and current policy fostering competitiveness, its additional practical value currently appears to be limited. This is, in particular, the case as significant harmonisation and digitalisation effects are already being initiated or safeguarded by the existing EU Acquis. In this context, further expansion of the European company law directives may be encouraged. At the same time, care should be taken to ensure that a new uniform legal form does not unnecessarily crowd out competition between national company laws and their innovative dynamism. Consideration should also be given to the risk that the company form might not serve the start-ups for which it was primarily created, but could instead be exploited by existing companies to undermine the various Member State systems, thereby giving rise to a “race to the bottom” in terms of social and rule-of-law standards. Against this background, it seems particularly important to design the new legal framework in such a way that it fits seamlessly and with legal certainty into the existing legal landscape and complements its diversity, rather than supplanting it.