

Commission welcomes agreement on the cross-border mobility of companies

The European Parliament and the Member States reached today a provisional agreement on new rules to make it easier for companies to merge, divide or move within the Single Market, while providing for strong safeguards.

These rules will allow companies to be more competitive and to easily expand across the EU. They include strong safeguards for employees, minority shareholders and creditors, and ensure that these cross-border operations cannot be misused for fraudulent or abusive purposes.

First Vice-President Frans **Timmermans** and Commissioner for Justice, Consumers and Gender Equality, Věra **Jourová** added: *"Our EU Single Market offers a lot of opportunities for companies to move and grow. However, so far companies have not been able to make the most of them in practice. The new rules on cross-border mobility will provide clear procedures for companies, which will cut costs and save time. The entrepreneurs will have the choice of where to do business and how to grow or re-organise their businesses. At the same time, the new rules will put in place strong safeguards to protect employees' rights and, for the first time, to prevent operations done for fraudulent or abusive purposes."*

This will make it possible for companies to benefit from a comprehensive set of European rules to move from one Member State to another or to divide into more entities on a cross-border basis.

At the same time, the new rules will allow national authorities to stop a cross-border operation in cases of abusive or fraudulent purposes leading or aiming to lead to the evasion or circumvention of national or EU law, or for criminal purposes.

Employees, especially as regards their information, consultation and participation rights, as well as minority shareholders and creditors will benefit from strong safeguards to protect their rights during cross-border operations. This will substantially improve the protection of these stakeholders, in comparison to the current situation with fragmented rules and lack of legal certainty.

Next steps

The provisional agreement now has to be formally approved by the European Parliament and the Council of the EU.

Background

The amendment to [the Directive relating to certain aspects of company law regarding cross-border conversions, mergers and divisions](#) is part of [the company law package](#) proposed by the European Commission in April 2018.

For more information

All information on the Company law package is available [here](#).

The other part of the Company law package on the digitalisation of company law was already agreed upon on 5 February – see [statement](#)