



STATEMENT

Brussels, 23 March 2026

Orgalim's initial reaction to the European Commission's proposal on the EU Inc. 28th Regime

On 18th March 2026, the European Commission published its long awaited proposal establishing the EU Inc. 'regime A new legal framework for innovative companies'. This initiative follows repeated calls from the Council and Parliament for an optional EU wide company structure allowing Europe's businesses to set up and scale more easily across the Single Market.

There is some scepticism from Orgalim members whether the proposal will achieve its aim of allowing companies to scale more easily. Furthermore, the scope of the 28th regime must be strictly limited to company law and must not extend into taxation or labour law.

A strong step toward a more competitive Single Market

Orgalim welcomes the Commission's ambition to reduce fragmentation in the corporate environment. Today, companies navigating 27 different legal systems face complex and costly hurdles. The proposal tries to respond to this challenge by introducing a harmonised set of corporate rules, including a unified legal form covering the full lifecycle of a company, from formation to liquidation and insolvency.

The EU Inc. aims to simplify access to finance, facilitate cross border expansion, and improve legal certainty for entrepreneurs, investors, and established firms alike. The 28th-regime can help simplify life for companies, however many other regulatory burdens remain outside the scope of this initiative and still need to be urgently addressed.

Voluntary and open to all companies

We welcome the European Commission's decision to make the regime fully optional. The EU Inc. framework set out in this Regulation responds in particular to the needs of startup and scaleup companies but should be legally open to all founders and companies who see it fit for their business model.

Companies will be free to incorporate directly as an EU Inc. or convert from an existing national form. Importantly, the scheme is not restricted to a specific subset of firms: both natural and legal persons may form an EU Inc., ensuring the regime is available to all businesses that would benefit from a streamlined EU wide- framework.

Innovation-oriented features

The proposal includes features particularly valuable for innovative and scaling companies, notably: fully digital formation procedures; the ability to establish EU Inc. subsidiaries; simplified governance tools; and provisions supporting employee stock ownership.

We look forward to working with the EU institutions to ensure the EU Inc. becomes a robust, future-proof corporate vehicle that strengthens Europe's Technology Industries.

Orgalim represents Europe's technology industries, comprised of 770,000 innovative companies spanning the mechanical engineering, electrical engineering, electronics, ICT and metal technology branches. Together they represent the EU's largest manufacturing sector, generating annual turnover of over €2,750 billion, manufacturing one-third of all European exports and providing over 11 million direct jobs. Orgalim is registered under the European Union Transparency Register – ID number: 20210641335-88.

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