

# Joint Statement by First Vice-President Timmermans and Commissioner Jourová on the agreement on the digitalisation of company law

The European Parliament and the Member States reached today a provisional agreement on new rules allowing companies to be able to register, set up new branches or file documents to the business register online. Going digital will make the process of setting up a business more efficient and cost effective.

First Vice-President Frans **Timmermans** and Commissioner for Justice, Consumers and Gender Equality, Věra **Jourová** welcome this agreement: *“The digitalisation of company law will help entrepreneurs create and run companies more easily, especially when they want to operate in different EU countries. By using digital tools, companies will save time and money when they launch a new business or branch and update information available on business registers. Strong safeguards and the exchange of information between Member States will prevent fraud. It is now essential that discussions with the Parliament and Council progress quickly on the other part of our Company Law package – the proposal on company mobility – so that it can be adopted before the European elections. It will provide for clear procedures for companies who want to move and grow in the Single Market, with strong safeguards to protect employees and prevent abuses, including for tax purposes.”*

## **Background**

There are currently only 17 Member States that provide a fully online procedure for registering companies. Under the new rules, companies will be able to create businesses and branches online with all necessary checks and protections in all Member States. It will be possible to file company information fully online, which will cut costs and administrative burden. More information from business registers will be available for free to stakeholders, especially on those who represent companies, which will contribute to bringing more trust in business transactions. Based on the new cross-border information exchange system Member States may block a director disqualified in one Member State from registering a company or becoming a director in another Member State. The amendment to [the Directive relating to certain aspects of company law](#) was part of [the company law package](#) proposed as part of the Commission’s [Single Market Strategy](#) and proposed by the European Commission in April 2018. The text must now be formally adopted by the European Parliament and the Council of the EU in the coming weeks.

## **For More Information**

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