

EUROPEAN PERSPECTIVES : INITIATIVES IN FAVOR OF A EUROPEAN LAW COMPANY

The draft produced by business : the European Private Company

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Ladies and Gentlemen,

It is in this brief presentation, I will try to answer the two following questions :

- Why a European private company ?
- Is this project alternative or complementary to the Commission's one ?

I - Why a European private company ?

An instrument to serve business competitiveness.

We are deeply convinced that there is a real need for a European company. It would be paradoxical since we are able to use a single European currency, not to be able to use a single European structure.

First of all, the economic integration of Europe which is only just beginning must be accompanied by the availability for its participants of suitable technical management structures.

This new form of company would enhance economic integration because it would favour exchanges inside the European market and it would also help to overcome the obstacles to mobility of companies.

The European private company would provide its users with all the flexibility expected of a genuine European corporate form affording them the option to set up in the country of their choice provided that the company's place of business and actual management are located there and if necessary to transfer them to another country without special difficulties, in order to accompany their development or to facilitate their management.

It would also be attractive for foreign investors.

Secondly, since most European companies are close companies SME's 90 % – independent but also subsidiaries of groups – this structure should be a simple and flexible form meeting their specific requirements.

The European private company would provide the shareholders with as much leeway as possible for the organisation and running of their undertaking as required by the constraints of management independent of the local legislation in the country of establishment.

I will let the following speakers develop this aspect.

Thirdly, European companies but also foreign companies need legal certainty and security.

To be able to choose a European form which would be recognised in every member State would be a very important simplification for business.

For example, it would be very convenient for a group of companies to have a uniform set of European subsidiaries. It would also solve the delicate problem of the law applicable to a joint venture.

This would also contribute towards the reduction of their costs.

II - Is this project alternative or complementary to the Commission's one ?

A project to complement the European company.

Definitively, this project is complementary to the Commission's one.

Each proposal can complement the other.

This conception was supported by M^r Mario MONTI as a commissioner in charge of the internal market and is supported by M^{rs} Nicole FONTAINE, the president of the European Parliament. When our president, M^r Seillière recently presented our common project to M^r Bolkenstein who is now in charge of this field, he specifically stressed this concept of complementarity.

We would not have conceived the European private company as a substitute to the Commission's project which is a very ambitious one.

But because the Commission's draft includes public companies, this regulation is rather complicated and unsuitable to SME's.

So we think there is room for a more simple and flexible form.

Furthermore we think that this modest project could, maybe, help to make this important issue progress after decades of successive failures.

It is our wish that these two projects soon become reality.

Thank you for your attention.