

European Office

VDMA European Office



The European Company

An Instrument for Small and
Medium-Sized Companies?

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The European Company – Potential SME-users and their interests

- Which SME's are potential users of the SE?
 - Companies active in a sector with potential in cross-border business
 - Companies which already have or are interested in establishing a net of subsidiaries in other countries
- How is the structure of these companies?
 - Family-owned businesses
 - Organized as companies with limited liability
 - Lack of financial and personal resources
- What interests/expectations do they have?
 - Access to markets in other EU Member States
 - Easy and cost-efficient establishment and running of subsidiaries in EU Member States
 - Legal security and transparency



The European Company – Advantages and Disadvantages for SME's

- Advantages
 - Creates European identity
 - Additional option for companies intending to merge or cooperate with foreign partners
- Disadvantages
 - Requirements for foundation are too inflexible
 - Minimum capital is too high
 - Too many additional national company law provisions applicable to European Company
 - Rules on workers participation



Conclusions

1. SE does not meet the needs of the majority of SME's
2. Majority of SME's needs an EU-wide uniform instrument allowing to set up 100% owned subsidiaries (European Private Company)
3. SE still requires intensive legal advice due to complementary national laws
4. SE might be an option for larger SME's interested in cross-border mergers