



European Council  
Council of the European Union

## Single-member private limited liability companies: Council agrees on general approach

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On 28 May 2015, the Council agreed on a compromise text for a draft directive aimed at creating a **new status for single-member private limited liability companies**.

The agreement is based on a compromise text tabled by the presidency. It constitutes the Council's general approach, which will serve as the basis for forthcoming **negotiations with the European Parliament**.

Chairing the Council meeting, the Latvian Minister for Economics **Dana Reizniece-Ozola** said that "this dossier is a concrete example of the advantages digitalisation can bring to the single market and to all of us: to citizens who are considering joining the start-up movement and establishing their own company, to employees who will work at these companies, to SMEs which are considering establishing subsidiaries, and to public administrations which will become more digital. Everyone stands to benefit in terms of modernisation, growth and jobs".

## Societas Unius Personae: a new name to facilitate cross-border business

The draft directive aims to facilitate the **cross-border activities of businesses**, particularly SMEs, and the establishment of single-member companies as subsidiaries in other member states, by reducing the costs and administrative burdens involved in setting up these companies. This will enable businesses to enjoy the full benefits of the internal market.

To achieve this objective, the draft directive introduces a **common framework governing the formation of single-member companies**.

Member states would have to ensure that their national legal systems provide for a form of company that complies with common rules established in the directive. The legal form would be established at the national level. It would have an **EU-wide abbreviation: SUP (*Societas Unius Personae*)**.

The main elements of the agreement include:

## Online registration

A major innovation in the draft directive is that the **SUP can be registered on-line** using templates provided by member states. This aims at facilitating economic activity to create growth and jobs, in line with the EU's digital agenda.

Some member states already have their own national schemes in place for electronic registration of companies.

The agreed text seeks to make on-line registration as secure and compliant with existing national rules as possible.

## Minimum capital requirement of € 1

Currently, the minimum capital required for the formation of a single-member private limited liability company varies among the member states.

The general approach contains a symbolic **minimum share capital requirement of €1** (or one equivalent unit of a member state's currency if not the euro).

In order to ensure adequate protection of creditors and other stakeholders, member states will have to ensure that their national laws provide mechanisms to prevent SUPs from being unable to pay their debts.

Examples of such mechanisms include requiring companies to create legal reserves, establish balance sheet tests and/or issue a solvency statement.

## Transfer of seat to another member state


Provisions related to the separation of the company's seat have been removed from the original Commission proposal in order to respect member states' competences and traditions. Similarly, aspects of **labour law will remain covered by existing national laws**.

- [Presidency compromise text](#) 
- [Agreed amendments to the Presidency compromise text](#) 

## Press contacts

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