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Briefing: EU Inc; A Game Changer for European Founders?

"EU Inc., by its very name, speaks the language of investors..."
(EU Commissioner Michael McGrath, 18 March 2026)

The European Commission has announced its proposal for **"EU Inc"**, which envisages a new, optional type of corporate vehicle benefitting from a swift incorporation process, streamlined administration and a 'digital by default' set of rules across the European Union. EU Inc is the centrepiece of the Commission's wider plans for a new, optional corporate law framework (the **"28th Regime"**). This briefing considers both EU Inc and the 28th Regime.

At a glance: Key benefits of EU Inc

According to the proposal, an EU Inc company would be subject to a uniform set of EU-wide corporate rules without the need to navigate multiple national corporate frameworks: founders would benefit from a range of measures designed to facilitate growth, reduce costs, make it easier to attract investment, allow for rapid scale-up and enable streamlined business closure. Meanwhile, all existing frameworks that apply to other existing corporate forms will remain unchanged (including the rules applying to existing Irish companies and their directors under the Companies Act 2014).

The following table sets out some of the key principles underpinning and applying to the EU Inc corporate entity, as envisioned by the proposal:

Streamlined Incorporation:	A new (optional) type of company benefitting from 48-hour incorporation, fees under €100, and no minimum share capital.
Simplified Cross-Border Operations:	A single set of EU-wide rules, giving effective access to the single market and eliminating the need to navigate 27 national frameworks.
Reduced Administrative Burden:	A 'once only' principle for submitting corporate information (via a central EU interface), a new EU central register of EU Inc companies, and an extension of the 'once only' principle to other authorities (e.g. no need to resubmit information to receive tax and VAT numbers).

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Digital-by-Default Approach:	Online meetings and European Business Wallet compatibility.
Investment and Talent Advantages:	Simplified share transfers, flexible share classes, stock exchange access, and employee stock options.
Easier Exit and Restart:	Simplified insolvency and digital wind-down procedures.

At the moment, jurisdictional barriers between EU Member States are seen as a major competitive disadvantage for European founders, entrepreneurs and investors. The Commission has been clear that “ambitious and urgent” action is needed to enable founders to set-up, access funding and scale-up to compete globally, in line with the emphasis on the need for EU competitiveness in both the [Draghi Report](#) and the [EU Competitiveness Compass](#).

The EU Inc model would allow high-potential, high-growth companies scale faster and with significantly reduced administrative burdens across the EU. An EU Inc company would however remain subject to national employment, tax, health and safety, equality and social protection laws in the EU Member State in which its work is habitually performed.

Next steps for EU Inc?

The Commission has called on the European Parliament and the EU Council to reach agreement on the proposed regulation by the end of 2026. The final shape of, and timing for, the EU Inc company may well evolve during those negotiations. Ireland will hold the Presidency of the Council of the EU for the second half of 2026, positioning it well to drive the EU Inc proposal forward.

28th Regime – Other current and future initiatives

The EU Inc proposal is part of the Commission’s wider plans for a ‘28th regime’. As part of those plans, the Commission also published a [Communication](#) that sets out current and future initiatives under that banner.

One of those initiatives, in line with the commitment made in the [EU Startup and Scaleup Strategy](#), is the publication of a [Recommendation](#) containing definitions of “**innovative enterprises**”, “**innovative startups**” and “**innovative scaleups**”. The aim is to facilitate alignment between policy measures across EU Member States that target innovative enterprises, startups and scaleups and to make it easier to collect data on those policies. Research and development (“**R&D**”) costs will not be determinative, and the definitions can be broadly summarised as follows:

- “**Innovative enterprise**”: a company whose R&D costs represented at least 10% of its operating costs or at least 5% of its total sales in the last 3 years. Alternatively, it can be a company that has or will soon develop a major innovation which holds risks of market or technological failure.

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- **“Innovative startup”**: an innovative (and autonomous) enterprise with < 100 employees and with an annual turnover or balance sheet < €10 million. It must have also been operating for less than 10 years.
- **“Innovative scaleup”**: an innovative (and autonomous) enterprise with an annual turnover or balance sheet of > €10 million, and which must have increased the number of its employees or revenues by 20% in the last 2 years, and either employs < 750 people or is not publicly listed.

The European Commission is also:

- Encouraging EU Member States to set up **specialised courts** to deal with disputes relating to the law on EU Inc companies;
- Planning to review the **European Venture Capital Funds Regulation** to facilitate the easier flow of venture capital;
- Examining whether to allow 100% cross-border telework for innovative start-ups and scale-ups across the EU as part of the upcoming **Fair Labour Mobility Package**; and
- Looking at the **Recast Brussels Regulation** to judge whether it could better support competitiveness.

The Commission has highlighted the need to expedite the negotiations on its proposed **Head Office Tax system** that would allow SMEs to apply the tax rules of their home country, and the [Business in Europe: Framework for Income Taxation](#) (“BEFIT”) initiative that aims to establish a single legislative framework for corporate taxation in the EU. It also noted its plans to use the upcoming **Omnibus simplification package on direct taxation** to remove additional administrative burdens from EU businesses.

Our Thoughts

The EU Inc model is seen as necessary to enable Europe’s burgeoning tech and venture capital community to reach the next level and compete on a global scale. It would provide an efficient and standardised corporate structure across the EU, removing some of the administrative burden encountered by high-growth companies as they look to unlock the huge potential of the EU’s single market.

The venture ecosystem in Ireland is also broadly supportive of the EU Inc model and this first proposal. Scale Ireland, the independent non-profit representative organisation for Irish tech start-up and scaling companies has welcomed the developments and view it as ‘a solid first step’.

McCann FitzGerald LLP continues to monitor and engage in the 28th regime process and believe that, if it is executed in the right way, it can result in a levelling of the playing field and significant competitive advantage for founders and investors across the EU.

Further information is available from:

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