

Better Regulation and Challenges of Drafting EU Company Law

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Better Regulation in EU Company Law, Process and Substance

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1

Better regulation

• What does it mean ?

=> Making legislation:

- ✓ simpler,
- ✓ more understandable,
- ✓ more accessible.

• What is the expected result ?

- ✓ greater effectiveness
- ✓ greater acceptability of Community actions.

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2

Better regulation ↔ Better legislation

Better regulation ≠ de-regulation

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How to “better regulate” ?

Focus on two areas:

- ✓ new policy initiatives in Commission work programme subject to **regulatory impact assessments**;
- ✓ **simplification** of key existing legislation.

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4

What is a Regulatory Impact Assessment (RIA) ?

- ✓ One global instrument identifying the likely positive and negative impacts of proposed policy actions
- ✓ An RIA will justify the chosen policy option, after having examined alternatives.
- ✓ Aid to decision-making – NOT a substitute for political judgement
- ✓ Full transparency of results of RIAs.

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5

What to do with a RIA ?

- RIA published with legislative proposals
- Should the amendments to Commission proposals be submitted to RIA ?
- Dilemma: in which measure does the end-result correspond to the RIA of the Commission proposal ?

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6

Simplification – what for ?

- Objective:
 - ✓ make things easier for all stakeholders,
 - ✓ lead to more effective legislative framework.
- Review of the *acquis* taking into account private sector and public interests.
- Dilemma: simplification vs. better regulation

Simplification applied to Company Law

- Should the 2nd CLD be revised ?
 - > feasibility study on alternative to capital maintenance regime
- Should the 12th CLD be repealed ?
 - > potential danger of repealing allegedly 'redundant' Directives for further enlargements.

Better regulation and Corporate Governance

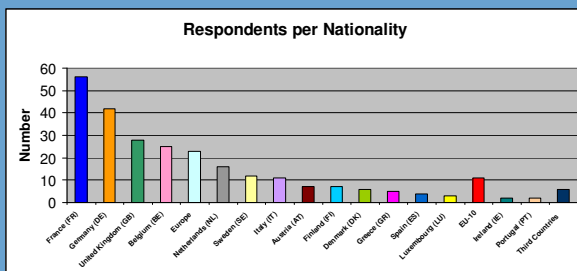
1. Establishment of consultative groups:
 - ✓ European Corporate Governance Forum
 - ✓ Advisory Group on Company Law and Corporate Governance.
2. Consultation on future priorities for the Action Plan
3. Systematic consultations for all initiatives
 - => **input from stakeholders is crucial.**
4. Regulatory impact assessments
5. Informal consultation of Member States within CLEG
6. Reduction of administrative burdens.

Consultation on future priorities for the Action Plan – written phase

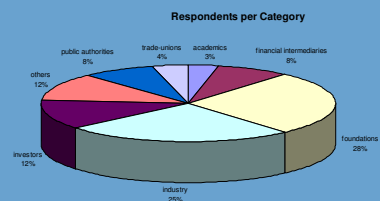
Consultation document:

- 3 Parts:
 - ✓ the methods for policy making,
 - ✓ the continued relevance of medium and long term measures proposed in Action Plan,
 - ✓ the modernisation and simplification of European Company Law.
- Set of 14 detailed questions.

Global overview on responses to public consultation (266 responses received)



Global overview on responses to public consultation



Outcome of public consultation

- General support for Action Plan
- Overwhelming support for proposed application of better regulation principles
- Call for enabling legislation
- Support for some kind of simplification (*"the devil is in the detail"*).

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13

Follow-up

- Summary report published in July, available at http://ec.europa.eu/internal_market/company/docs/consultation/final_report_en.pdf
- Commissioner will issue a statement in a speech delivered to the European Parliament (timing: November 2006 ?)

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14

Thank you for your attention !

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15