ICGN
International Corporate Governance Network

René Repasi MEP
Rapporteur for the European Parliament on the 28th regime / EU Inc. proposal
Member of the European Parliament
European Parliament
Altiero Spinelli Building
60 rue Wiertz / Wiertzstraat 60 B-1047 Brussels
Belgium

9 June 2026

Dear Mr. Repasi,

**Subject: The 28th Regime Corporate Legal Framework - 'EU Inc.'**

The International Corporate Governance Network (ICGN) appreciates the opportunity to comment on the proposal of the *28th Regime Corporate Legal Framework - 'EU Inc.'*.

Led by investors responsible for assets under management of >US$100 trillion, ICGN is an authority on global standards of corporate governance and investor stewardship. Headquartered in London, our membership is based in more than 40 countries. ICGN's *Global Governance Principles* and *Global Stewardship Principles*, written from an investor perspective, are widely used by our members in their company assessments and voting decisions, and by regulators when developing corporate governance rules.

ICGN supports the objective of promoting digitalisation, simplification and greater harmonisation of company and capital market law across the European Union. Fragmentation across Member States creates real barriers for companies and investors, particularly in relation to cross-border operations, capital raising and shareholder participation. In this respect, the proposed 28th regime could make a useful contribution to the competitiveness of the European economy by helping companies scale across the Single Market more efficiently.

However, ICGN is concerned that the proposal, as currently drafted, may allow the new EU Inc. vehicle to be admitted to trading on regulated markets without sufficiently robust safeguards for shareholders and investors. A level of flexibility that may be attractive for micro or early-stage private companies is not suitable for mature public markets. Listed companies depend on a higher standard of accountability, transparency and investor protection. Public market confidence rests on the ability of shareholders to exercise meaningful rights, hold boards accountable and rely on clear checks and balances.

This concern is particularly relevant because the proposal appears to allow significant flexibility through the articles of association. For example, the draft Regulation may permit fully online general meetings, multiple share classes with differing rights, restrictions on pre-emption rights, and weaker safeguards around related party transactions and conflicts of interest. If applied to public markets, these legal solutions would undermine investor confidence and hamper the efforts of European policymakers and stakeholders to attract more long-term capital to EU capital markets.

ICGN is particularly concerned that weaker governance arrangements could be embedded in an EU Inc.'s articles before listing and then continue to apply after admission to a regulated market. This risks creating a route for companies to access public capital while avoiding governance standards that investors expect from listed companies. The policy distinction

should therefore be clear: EU Inc. may be an attractive tool for start-ups seeking to operate more easily across the Single Market, but it should not become a vehicle for weakening investor protections in listed companies.

ICGN therefore recommends that the final Regulation should make clear that EU Inc. companies should not be admitted to trading on regulated markets unless they are subject to the same minimum investor protection standards as other listed companies. At a minimum, the framework should ensure that the 28th regime cannot be used to circumvent existing protections under EU company law, the Shareholder Rights Directive or national corporate governance requirements.

Europe needs deeper, more integrated and more competitive capital markets, supported by rules that help companies grow across borders and remain in Europe. However, reforms designed to improve competitiveness must also preserve the foundations of public market trust, including robust shareholder rights, board accountability and investor protection.

Thank you again for the opportunity to share our perspective on the proposal of *the 28th Regime Corporate Legal Framework - 'EU Inc.'*. If you would like to follow up with questions or comments, please contact our Senior Policy Executive, Jakub Brejdak (policy@icgn.org).

Yours faithfully,



**Jen Sisson**

**Chief Executive Officer, ICGN**