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GMS Flash Alert

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European Union – EU Inc., Deploying a New Operating System for Doing Business in Europe

Building on the analysis in Mario Draghi's report on the future of European competitiveness,[1] in March 2026 the European Commission presented its proposal for "EU Inc.," a new, single set of corporate rules and a digital-by-default European corporate framework.[2]

The intention is to make it easier for businesses to start, operate, and grow across the EU under a single, harmonized set of EU-wide rules, covering relevant aspects of corporate, insolvency, labor, and tax law. The European Commission aims to reach an agreement on the proposal by the end of 2026.

WHY THIS MATTERS

For businesses, EU Inc. could fundamentally change how they interact with public authorities across the EU.

Today, companies face fragmented administration and compliance processes, with different portals, formats, deadlines, and data requirements in each EU member state. Under the proposed regime, a digital-by-default corporate framework and digital "business wallet" would provide a single access point to register a company, manage corporate changes, file reports, handle tax and social security interactions, and engage in insolvency or restructuring procedures across borders.

Automatic transmission of company data and the "once-only principle" would reduce repeated submissions of the same information, cutting administrative burden, cost, and error risk.

In practice, this would allow companies to scale and operate cross-border more efficiently, relying on one harmonized, interoperable system instead of navigating multiple national administrative layers.

More details about EU Inc.

EU Inc. is a proposed optional, harmonized corporate legal regime that would allow companies to operate under a single set of EU-wide rules, supported by a fully digital, business-wallet-based infrastructure. It is designed to simplify registration, administration, and compliance for companies active across borders,

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particularly innovative firms and start-ups. One example of the simplification is enabling company registration within 48 hours for a fee of less than EUR 100.

In the proposal, under EU Inc. companies would interact with authorities through a unified business wallet that stores and reuses key corporate data and credentials. Core processes, such as incorporation, changes to share capital ownership, filings throughout the company life cycle, and insolvency or restructuring steps would be streamlined and, where possible, automated.

The once-only principle and automatic transmission of company data to relevant authorities would mean information is submitted once and then reused, instead of being repeatedly re-entered in different national systems.

One of the key objectives is to allow companies to focus on growth rather than dealing with multiple fragmented legal and administrative environments by reducing administrative friction and supporting scaling operations across the EU.

KPMG INSIGHTS

The European Commission aims to reach political agreement on the EU Inc. proposal by the end of 2026. While the regime is still at the proposal stage, KPMG's dialogue with tax, labor, and social security administrations across Europe, particularly in the context of global mobility compliance, indicates that some authorities are already referring to EU Inc. as a future reference point for modernized and effective processes.

Several administrations have highlighted EU Inc. as a framework they are following and, in some cases, actively preparing for. They see the digital-by-default model and business wallet as tools that could facilitate smoother, more integrated administrative processes for companies that opt into EU Inc., including areas such as registrations, reporting, and cross-border data sharing.

For multinational employers and mobile workforces, this could, over time, support more efficient and consistent compliance workflows.

ENDNOTES:

1 European Commission: The Draghi report on EU competitiveness, 9 September 2024.

2 European Commission: Commission presents proposal for EU Inc. – unlocking the full potential of the Single Market for Europe's entrepreneurs, 17 March 2026.

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