



NOTE

Danish response to the public consultation on EU Company law upgraded: Rules on digital solutions and efficient cross-border operations.

Denmark appreciates the opportunity to provide input to the work on digitizing company law.

The Danish Government recognises the digitalisation of company law as important for companies in the EU both regarding the use of digital technologies through a companies' lifecycle and especially regarding the cross-border mobility of companies. Digitalisation of company law would lower administrative burdens and make it easier for companies to operate across borders in the internal market. At the same time it would promote shareholder engagement by facilitating shareholders interaction with their companies.

As regards the specific parts of the consultation the Danish Government offers following point of views:

Part 1: The reasons to act

Priority should be given to regulating cross-border divisions and cross-border conversions at EU level, as these cross-border business changes all exist under Danish law, but needs to be regulated on EU-level in order to function effectively. It should also be ensured that the regulation of cross-border mergers is updated. In relation to the cross-border transactions the Danish Government believes, that it is of high importance, that creditors and employees are adequately protected, while the regulation should be flexible and useful.

Part 2: The use of online tools throughout the companies' lifecycle

The Commission should focus on ensuring the mutual recognition of electronic documents and information, and ensure that companies do not have to report the same information to the authorities in several Member States.

Part 3: The cross-border mobility of companies (mergers, divisions, conversions)

As a general rule the Danish Government actively supports EU regulation that facilitates cross-border business transactions provided at the same time that the regulation protects the interests of creditors and employees. EU regulation shall protect creditors and employee representation in cross-border transactions. The procedures for cross-border mergers should be simplified.

In addition, the Danish Government welcomes EU regulation of cross-border divisions and cross-border conversion. The rules on cross-border mergers, divisions and conversions should be regulated identically as several issues are similar for all operations. Integration of the rules in the same directive should also be considered, as this would help to ensure that unintended divergence does not occur during the negotiation process.

Part 4: The conflict-of-law rules for companies

It is the Danish Government's view, that a company should be governed by the laws of the country in which the company was incorporated or has its registered office. It is also the Danish Government's view regarding the conflict-of-law rules for companies, that it is not possible to enforce other Member States rules on companies, which have their registered office in Denmark and vice versa.

Denmark looks forward to the upcoming initiatives set forth by the Commission and to participating in further discussions on these important subjects.