



EUROPEAN COMMISSION

SECRETARIAT-GENERAL

PV(2026) 2560 final

- English translation of the French version which is authentic -

Brussels, 22 April 2026

TEXTE EN

MINUTES

of the 2560th meeting of the Commission

held in Brussels

(Berlaymont)

on Wednesday 18 March 2026

(morning)

—

PV(2026) 2560 final

- English translation of the French version which is authentic -

EN

TABLE OF CONTENTS

Attendance list	4-5
1. AGENDAS (OJ(2026) 2560/FINAL; SEC(2026) 2560/FINAL)	6
2. WEEKLY MEETING OF HEADS OF CABINET (RCC(2026) 2560).....	6
3. APPROVAL OF THE MINUTES (PV(2026) 2555).....	6
4. INTERINSTITUTIONAL RELATIONS (RCC(2026) 161)	6
5. COORDINATION OF EXTERNAL ACTION (RCC(2026) 210).....	8
6. WRITTEN PROCEDURES, EMPOWERMENT AND DELEGATION OF POWERS.....	9
6.1. WRITTEN PROCEDURES APPROVED (SEC(2026) 72 ET SEQ.).....	9
6.2. EMPOWERMENT (SEC(2026) 73 ET SEQ.)	9
6.3. DELEGATION / SUBDELEGATION OF POWERS (SEC(2026) 74 ET SEQ.)	9
6.4. WRITTEN PROCEDURES SPECIFICALLY IDENTIFIED (SEC(2026) 75 AND /2).....	9
7. ADMINISTRATIVE AND BUDGETARY MATTERS (SEC(2026) 76).....	9
7.1. DG HEALTH AND FOOD SAFETY – APPOINTMENT OF A DIRECTOR AT GRADE AD14 (PERS(2026) 23 AND /2)	10
7.2. DG TAXATION AND CUSTOMS UNION – APPOINTMENT OF A DIRECTOR AT GRADE AD14 (PERS(2026) 24 AND /2)	10
7.3. JOINT RESEARCH CENTRE – AUTHORISATION OF THE INTERNAL AND INTERINSTITUTIONAL PUBLICATION, AT GRADE AD14/15, AND EXTERNAL PUBLICATION, AT GRADE AD14, OF A DIRECTOR POST (PERS(2026) 25)	11
7.4. LEGAL SERVICE – TRANSFER OF AN AD14 OFFICIAL FROM THE GENERAL SECRETARIAT OF THE COUNCIL OF THE EUROPEAN UNION TO THE EUROPEAN COMMISSION	11

PV(2026) 2560 final

7.5. DG TRADE AND ECONOMIC SECURITY – SECONDMENT OF AN AD15 OFFICIAL IN THE INTEREST OF THE SERVICE UNDER ARTICLES 37 AND 38 OF THE STAFF REGULATIONS.....	12
7.6. DG HUMAN RESOURCES AND SECURITY – APPROVAL OF LISTS OF CANDIDATES FOR POSTS OF HEAD OF EU DELEGATION AND DEPUTY HEAD OF EU DELEGATION AT GRADES AD14-15/AD14 AND AD9-14/AD12 (PERS(2026) 26).....	12
8. COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS – TOWARDS A 28 TH REGIME FOR EU COMPANIES (COM(2026) 320 TO /4; RCC(2026) 19)	14
9. PROPOSAL FOR A REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL ON THE 28 TH REGIME CORPORATE LEGAL FRAMEWORK - 'EU INC.' (COM(2026) 321 TO /3; SWD(2026) 321 AND /2; SWD(2026) 322 AND /2; SEC(2026) 321; RCC(2026) 19).....	14
10. COMMISSION RECOMMENDATION ON THE DEFINITION OF INNOVATIVE ENTERPRISES, INNOVATIVE STARTUPS AND INNOVATIVE SCALEUPS (C(2026) 1800 TO /3; RCC(2026) 19).....	14
11. ORIENTATION DEBATE ON THE REVIEW OF THE MERGER GUIDELINES	20
12. OTHER BUSINESS.....	27
LATEST DEVELOPMENTS IN EXTERNAL RELATIONS	27

Single sitting: Wednesday 18 March 2026 (morning)

The sitting opened at 9.05 with Ms von der LEYEN, President, in the chair.

Present:

Ms von der LEYEN	President	
Ms RIBERA	Executive Vice-President	
Ms VIRKKUNEN	Executive Vice-President	
Mr SÉJOURNÉ	Executive Vice-President	Items 8 to 12
Ms KALLAS	High Representative / Vice-President	Items 8 to 12
Ms MÎNZATU	Executive Vice-President	
Mr FITTO	Executive Vice-President	
Mr ŠEFČOVIČ	Member	
Ms ŠUICA	Member	
Mr VÁRHELYI	Member	
Mr HOEKSTRA	Member	
Mr KUBILIUS	Member	
Ms KOS	Member	
Mr SÍKELA	Member	
Mr KADIS	Member	
Ms ALBUQUERQUE	Member	
Ms LAHBIB	Member	
Mr BRUNNER	Member	
Ms ROSWALL	Member	
Mr SERAFIN	Member	
Mr JØRGENSEN	Member	
Ms ZAHARIEVA	Member	
Mr McGRATH	Member	
Mr TZITZIKOSTAS	Member	
Mr HANSEN	Member	
Mr MICALLEF	Member	

Absent:

Mr DOMBROVSKIS Member

The following also sat in:

Mr SEIBERT	Head of Cabinet to the PRESIDENT
Mr DE GREGORIO	Director-General, Legal Service
Ms SPINANT	Director-General, DG Communication
Ms PINHO	Head of the Spokesperson's Service and Chief Spokesperson of the Commission
Mr ADAM	Deputy Head of Cabinet to the PRESIDENT
Ms PETKOVA	Director of Coordination and Administration in the PRESIDENT's cabinet
Mr PIERGIOVANNI	Adviser in the PRESIDENT's cabinet
Ms SEMLALI	Policy Assistant in the PRESIDENT's cabinet
Mr CHARLES	Head of Unit in the Secretariat-General
Mr TAQUET-GRAZIANI	Head of Unit in the Secretariat-General

Item 11

Secretary: Ms JUHANSONE, Secretary-General, assisted by Ms DEPREZ, Director in the Secretariat-General.

1. AGENDAS

(OJ(2026) 2560/FINAL; SEC(2026) 2560/FINAL)

The Commission took note of that day's agenda and of the tentative agendas for forthcoming meetings.

2. WEEKLY MEETING OF HEADS OF CABINET

(RCC(2026) 2560)

The Commission considered the Secretary-General's report on the weekly meeting of Heads of Cabinet held on Monday 16 March 2026.

3. APPROVAL OF THE MINUTES

(PV(2026) 2555)

The Commission approved the minutes of its 2555th meeting of 18 February 2026 and decided to hold over approval of the minutes of its 2556th, 2557th, 2558th and 2559th meetings of 26 February and 2, 4/6 and 10 March 2026 until a later meeting.

4. INTERINSTITUTIONAL RELATIONS

(RCC(2026) 161)

The Commission took note of the record of the meeting of the Interinstitutional Relations Group (GRI) held on Friday 13 March 2026 (RCC(2026) 161).

The Commission approved the lines proposed for the following points:

- **Amendment of Regulations (EU) No 1308/2013, (EU) 2021/2115 and (EU) 2021/2116 as regards the strengthening of the position of farmers in the food supply chain – IMART report – 2024/0319 (COD)**

Line set out in SI(2026) 57.

- **Amendment of Regulation (EU) 2021/1232 as regards the extension of its period of application (Regulation) – SIPPEL report – 2025/0429 (COD)**

Line set out in SI(2026) 58/2.

- **Jurisdiction, applicable law, recognition and enforcement of measures and cooperation in matters relating to the protection of adults (Regulation) – TOOM report – 2023/0169 (COD)**

Line set out in SI(2026) 52.

- **Addressing the negative trade-related effects of global overcapacity on the Union steel market (Regulation) – KARLSBRO report – 2025/0726 (COD)**

Line set out in SI(2026) 59.

- **Framework for strengthening the availability and security of supply of critical medicinal products as well as the availability of, and accessibility of, medicinal products of common interest, and amendment of Regulation (EU) 2024/795 (Regulation) – SOKOL report – 2025/0102 (COD)**

Line set out in SI(2026) 60.

- **Amendment of Directives (EU) 2009/65/EC, 2009/138/EC, 2011/61/EU, 2014/65/EU and (EU) 2016/97 as regards the Union retail investor protection rules (Directive) – YON-COURTIN report – 2023/0167 (COD)**

Line set out in SI(2026) 63.

- **Negotiations between the European Union and the United Kingdom on the participation of the United Kingdom in the internal electricity market of the Union and on the financial contribution of the United Kingdom towards reducing economic and social disparities between the regions of the Union**

Line set out in SI(2026) 56.

- **EU-UK Trade and Cooperation Agreement – Participation in Erasmus+ (Council Decision) – 2026/0067 (NLE)**

Line set out in SI(2026) 65.

The Commission took note of the following points:

- **Amendment of Regulation (EC) No 261/2004 establishing common rules on compensation and assistance to passengers in the event of denied boarding and of cancellation or long delay of flights, and Regulation (EC) No 2027/97 on air carrier liability in respect of the carriage of passengers and their baggage by air (Regulation) – NOVAKOV (ex-ARIAS ECHEVERRÍA & ex-BACH) report – 2013/0072 (COD)**

Information set out in SI(2026) 54/2.

- **Establishment of the Union Customs Code and the European Union Customs Authority, and repeal of Regulation (EU) No 952/2013 (Regulation) – GOTINK (ex-CLUNE) report – 2023/0156 (COD)**

Information set out in SPI(2026) 41.

5. COORDINATION OF EXTERNAL ACTION (RCC(2026) 210)

The Commission took note of the operational conclusions in RCC(2026) 210 of the meeting of the Group for External Coordination (EXCO) held on Thursday 12 March 2026.

6. WRITTEN PROCEDURES, EMPOWERMENT AND DELEGATION OF POWERS

6.1. WRITTEN PROCEDURES APPROVED

(SEC(2026) 72 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 9 and 15 March 2026.

6.2. EMPOWERMENT

(SEC(2026) 73 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 9 and 15 March 2026.

6.3. DELEGATION / SUBDELEGATION OF POWERS

(SEC(2026) 74 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted under the delegation and subdelegation procedures between 9 and 15 March 2026, as archived in Decide.

6.4. WRITTEN PROCEDURES SPECIFICALLY IDENTIFIED

(SEC(2026) 75 AND /2)

The Commission took note of the written procedures specifically identified for which the time limit expired between 16 and 20 March 2026.

7. ADMINISTRATIVE AND BUDGETARY MATTERS

(SEC(2026) 76)

ADMINISTRATIVE MATTERS

(PERS(2026) 22)

7.1. DG HEALTH AND FOOD SAFETY – APPOINTMENT OF A DIRECTOR AT GRADE AD14

(PERS(2026) 23 AND /2)

The Commission had before it applications under Article 29(1)(a)(i) and (iii) of the Staff Regulations for the post of Director of the ‘Health and Food Audits and Analysis’ Directorate in DG Health and Food Safety (PERS(2026) 23).

It took note of the opinions of the Consultative Committee on Appointments of 24 January and 12 February 2026 (PERS(2026) 23/2).

The Commission proceeded to compare the applicants’ qualifications for the post. On a proposal from Mr SERAFIN, in agreement with the PRESIDENT, and after consulting Mr VÁRHELYI, it then decided to appoint Mr Eric THEVENARD to the post.

This decision would take effect on a date to be determined.

7.2. DG TAXATION AND CUSTOMS UNION – APPOINTMENT OF A DIRECTOR AT GRADE AD14

(PERS(2026) 24 AND /2)

The Commission had before it applications under Article 29(1)(a)(i) and (iii) of the Staff Regulations for the post of Director of the ‘Resources and General Affairs’ Directorate in DG Taxation and Customs Union (PERS(2026) 24).

It took note of the opinions of the Consultative Committee on Appointments of 18 December 2025 and 12 February 2026 (PERS(2026) 24/2).

The Commission proceeded to compare the applicants' qualifications for the post. On a proposal from Mr SERAFIN, in agreement with the PRESIDENT, and after consulting Mr ŠEFČOVIČ and Mr HOEKSTRA, it then decided to appoint Mr David MUELLER to the post.

This decision would take effect on a date to be determined.

**7.3. JOINT RESEARCH CENTRE – AUTHORISATION OF THE INTERNAL AND INTERINSTITUTIONAL PUBLICATION, AT GRADE AD14/15, AND EXTERNAL PUBLICATION, AT GRADE AD14, OF A DIRECTOR POST
(PERS(2026) 25)**

On a proposal from Mr SERAFIN, in agreement with the PRESIDENT, the Commission decided to authorise the internal and interinstitutional publication, at grade AD14/15, and external publication, at grade AD14, of the vacancy notice set out in PERS(2026) 25 for the post of Director of the 'Fair and Sustainable Economy' Directorate in the Joint Research Centre, in accordance with Article 29(1)(a)(i) and (iii), Article 29(1)(b) and Article 29(2) of the Staff Regulations.

This decision would take effect immediately.

7.4. LEGAL SERVICE – TRANSFER OF AN AD14 OFFICIAL FROM THE GENERAL SECRETARIAT OF THE COUNCIL OF THE EUROPEAN UNION TO THE EUROPEAN COMMISSION

On a proposal from Mr SERAFIN, in agreement with the PRESIDENT, the Commission decided to transfer Mr Carlo ZADRA in the interest of the service, under Article 8 of the Staff Regulations, from the General Secretariat of the Council of the European Union to the European Commission, and to appoint him to the post of Principal Legal Adviser in charge of the 'Justice, Freedom and Security, Private Law and Criminal Law' (JLS) team in the

Legal Service.

This decision would take effect on 1 April 2026.

7.5. DG TRADE AND ECONOMIC SECURITY – SECONDMENT OF AN AD15 OFFICIAL IN THE INTEREST OF THE SERVICE UNDER ARTICLES 37 AND 38 OF THE STAFF REGULATIONS

On a proposal from Mr SERAFIN, in agreement with the PRESIDENT, and after consulting Mr ŠEFČOVIČ, the Commission decided:

- to create a temporary post of adviser *hors classe* in DG Trade and Economic Security; this post would be abolished upon the departure of the job holder;
- to transfer to this new post in the interest of the service, under Article 7 of the Staff Regulations, Ms Maria MARTIN-PRAT DE ABREU, currently Deputy Director-General in charge of the Directorates ‘Asia (I), Services and Investment, Digital Trade, Intellectual Property and Public Procurement’ and ‘Africa, Pacific, Asia (II), Trade and Sustainable Development, Green Deal’ in DG Trade and Economic Security;
- to approve her secondment, in the interest of the service, under Articles 37 and 38 of the Staff Regulations, to the European External Action Service (EEAS) for a period from 1 May 2026 to 30 April 2030. For the duration of her secondment, all costs would be borne by the EEAS.

This decision would take effect on 1 May 2026.

**7.6. DG HUMAN RESOURCES AND SECURITY – APPROVAL OF LISTS OF CANDIDATES FOR POSTS OF HEAD OF EU DELEGATION AND DEPUTY HEAD OF EU DELEGATION AT GRADES AD14-15/AD14 AND AD9-14/AD12
(PERS(2026) 26)**

The Commission took note of the information in point 6 of PERS(2026) 22 and, on a proposal from Mr SERAFIN, in agreement with the PRESIDENT, decided to approve the lists of candidates submitted to it for posts of Head of EU Delegation and Deputy Head of EU Delegation in the following countries:

HEADS OF DELEGATION

- China, India, Japan, Kenya, Russia, South Africa, United Kingdom (AD14-15/AD14);
- Afghanistan, Albania, Association of Southeast Asian Nations, Australia, Botswana, Burundi, Cameroon, Council of Europe, Indonesia, Liberia, Libya, Mozambique, Nepal, Nicaragua, Norway, Panama, Qatar, Rwanda, Senegal, Sri Lanka, Tanzania, Turkmenistan, West Bank, Gaza Strip (AD9-14/AD12);

DEPUTY HEADS OF DELEGATION

- Barbados, Kosovo, Côte d'Ivoire, Senegal, Thailand, United Nations (UN) / International Atomic Energy Agency (IAEA) / Organization for Security and Cooperation in Europe (OSCE) in Vienna, Serbia (AD9-14/AD12).

The competent authority of the European External Action Service (EEAS) would make the final appointments on the basis of these lists, as set out in PERS(2026) 26.

These decisions would take effect immediately.

8. **COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS – TOWARDS A 28TH REGIME FOR EU COMPANIES**
(COM(2026) 320 TO /4; RCC(2026) 19)

9. **PROPOSAL FOR A REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL ON THE 28TH REGIME CORPORATE LEGAL FRAMEWORK - 'EU INC.'**
(COM(2026) 321 TO /3; SWD(2026) 321 AND /2; SWD(2026) 322 AND /2; SEC(2026) 321; RCC(2026) 19)

10. **COMMISSION RECOMMENDATION ON THE DEFINITION OF INNOVATIVE ENTERPRISES, INNOVATIVE STARTUPS AND INNOVATIVE SCALEUPS**
(C(2026) 1800 TO /3; RCC(2026) 19)

The PRESIDENT introduced the package of measures on the 28th regime, stressing its potential to transform the single market once it had been put in place effectively. She noted that the reports of Mr Draghi and Mr Letta on the future of European competitiveness and the single market had consistently identified the EU market's fragmentation as a fundamental structural weakness, especially for innovative companies looking to grow. The fact that such companies currently had to navigate between 27 different legal frameworks posed a major obstacle to their growth.

She explained that, rather than trying to gradually harmonise national systems, the Commission had deliberately opted for a more ambitious and innovative approach by creating a new optional type of European company operating alongside existing national arrangements. This 28th regime or 'EU Inc.' put forward a unique set of rules for companies wishing to extend their activities beyond national borders.

The PRESIDENT emphasised the speed and digitalisation of the procedures under these new arrangements, pointing out that companies could be created within

48 hours with a minimum capital of EUR 100 and managed entirely online for the duration of their entire life cycles. At the same time, she recognised that trade-offs had been necessary with regard to some sensitive issues. In particular, it had been decided not to touch labour law, so as to not create imbalances with national systems and to avoid the risk of weakening existing protections.

Ms VIRKKUNEN presented the proposal for a Regulation as a concrete response to the needs of startups and scaleups. The new arrangements were intended to be simple, swift and flexible. She noted that companies opting for EU Inc. would benefit from the freedom to choose their headquarters within the EU while operating under a unique, harmonised set of company law rules. The proposal did not deal with taxation or labour law, thus fully respecting the competences of the Member States. The aim was not to create a need for regulatory arbitrage but rather to eliminate obstacles to cross-border activity.

It was important to simplify insolvency proceedings, especially for startups, in order to reduce the cost of failure and allow entrepreneurs to launch new projects more easily. She noted the introduction of a new harmonised framework for employee stock options, pointing out that startups often used such instruments to attract talent when high salaries were not available, and that harmonising the timing of taxation at EU level was another marked improvement.

Ms VIRKKUNEN also placed the proposal within the much broader political agenda, which included future initiatives on taxation, work and the business environment. The ambition was to conclude interinstitutional negotiations as swiftly as possible so that the new arrangements could quickly become operational. Lastly, she stressed the importance of developing a strong European label for EU Inc. companies, which could make them more visible and attractive to investors throughout the single market.

Mr SÉJOURNÉ, in turn, framed the proposal for a 28th regime as a key element of the EU's competitiveness and simplification agenda. The proposal sought to reduce

delays, costs and complexities for companies operating beyond their borders, thereby allowing them to avoid the multiple and differing demands of the national systems in force, particularly when it came to notaries, legal issues and translation.

Mr SÉJOURNÉ highlighted the need for appropriate communication. Misleading narratives were already emerging, especially regarding the alleged impact on labour law and taxation. It was therefore important to explain clearly both the scope of the proposal and its limitations, to prevent misunderstandings and negative reactions, especially from social partners.

Mr McGRATH provided more detail on the proposal for a Regulation, indicating that it was the result of in-depth consultations with stakeholders and intensive collective work within the Commission. He placed the proposal within the broader context of efforts to set up an optional European company framework. In this respect, the initiative was even more timely, given that global competition for investment, talent and innovation was intensifying.

He stated that the proposal was grounded in the legal basis of the single market and was specifically designed to tackle the fragmentation in company law, which continued to hold back cross-border activity. He pointed out that there were over 60 different forms of companies in Europe and that many procedures still required a physical presence and paper filings, which created significant administrative burdens. The framework provided by EU Inc. addressed these problems by providing a unique, harmonised set of rules covering a company's entire life cycle from creation through to development. Mr McGRATH also underlined the digital-by-default nature of EU Inc., which enabled full online registration within 48 hours through a single access point, as well as the possibility to carry out corporate governance procedures entirely online.

He added that the proposal improved access to finance by simplifying share transfers, allowing the use of modern investment instruments and offering greater legal certainty to investors. Application of the 'once only' principle cut red tape by

removing the need for multiple submissions of information. He also stressed the importance of employee stock options as a tool for attracting talent, with the proposal introducing a harmonised framework in this respect.

At the same time, Mr McGRATH pointed out that the proposal remained firmly rooted in the European social model, emphasising that simplification was not deregulation. Labour law, taxation and other key areas were still governed by national rules, with the proposal explicitly guaranteeing that existing rights, including on co-determination, were fully respected.

He recognised that previous attempts to create a European company had not been as successful as expected, but he maintained that the current proposal had drawn the lessons of the past and was designed to be both ambitious and achievable. In conclusion, he underlined the importance of effective communication, strong political support and active stakeholder engagement throughout the legislative process.

Ms ZAHARIEVA pointed out that the proposal for a Regulation was supplemented by a Commission Recommendation introducing harmonised definitions for innovative companies, startups and scaleups. She stressed that this Recommendation responded to long-standing demands from stakeholders for greater clarity and consistency, noting that, even within the Commission, different definitions were currently used, which could lead to fragmented and less effective policy-making. By establishing simple and clear definitions, the Recommendation aimed to improve the targeting of policies and measures to support innovative companies.

More broadly, Ms ZAHARIEVA noted that the package of measures presented that day provided an ambitious and practical response to the need to strengthen the European innovation ecosystem and ensure that startups and scaleups could grow within the EU. She was confident that, once adopted and implemented, the Regulation would have a tangible impact on the ground by making the EU more attractive to innovative companies.

During the discussion that followed, the Commission raised the following main points:

- strong support for the package of measures proposed, which responded to important needs and expectations of stakeholders;
- the timeliness of these measures in the current economic and geopolitical context, and their relevance in the light of the conclusions of the strategic reports of Mr Draghi and Mr Letta and the priorities of the European Council;
- broad agreement that this package addressed a fundamental weakness of the single market, namely the fragmentation of company law, and that it sent an important message to all global partners about the EU's commitment to creating a truly integrated business environment;
- recognition of the high level of ambition, which had to be maintained throughout the legislative process, particularly in view of past unsuccessful attempts to establish a European company;
- support for the main features of the EU Inc. proposal, including full digitalisation, simplification of procedures, cost reductions and the introduction of harmonisation as regards employee stock options, all of which were considered crucial for attracting investment and talent;
- an acknowledgement that similar digital frameworks already existed in some Member States, but that the added value of the proposal lay in its European scale, which allowed companies to operate without barriers across national borders;
- the need to reduce the cost of failure for entrepreneurs, notably through simplified insolvency procedures, and to promote a more risk-friendly culture in Europe;
- the importance of managing stakeholders' expectations through appropriate

communication, including by presenting the EU Inc. proposal as part of a broader effort to deepen the single market and support competitiveness;

- warnings about the misconceptions that were already emerging, notably as regards the alleged impact on labour law, taxation and co-determination, and concerns at the prospect of possible negative reactions, especially from trade unions, prompted by misinformation;
- in this regard, the need to state unequivocally that the proposal did not affect national labour law or workers' rights;
- the observation that, despite its high level of ambition, the package could fall short of what already existed in some national systems, hence the need to take further steps in the future;
- consequently, calls for additional measures to be considered, including deeper harmonisation and broader improvements in the business environment, in order to realise the full potential of the internal market.

In response to some of the points raised during the debate, Mr McGRATH pointed out that the proposed EU Inc. Regulation made it clear in its legal provisions that it did not affect EU or national labour law in any way. He explained that existing safeguards remained fully in place, including with regard to labour inspections and workplace rules. Specific provisions explicitly confirmed that the rules on co-determination would continue to apply to EU Inc. companies in the same way as to national companies, and that the new legal form could not be used to circumvent employees' rights.

Mr McGRATH also stressed that concerns were a natural part of the legislative process which needed to be addressed with clear communication and factual explanations. He repeated his conviction that, although some Member States already had highly digitalised frameworks for setting up and managing companies, the added value of the 28th regime lay in the creation of a single, harmonised system at

EU level which eliminated the need to comply with several national regimes when engaged in cross-border activities. In this sense, this new regime represented a genuine paradigm shift by helping to reduce fragmentation and the administrative burden, and thereby strengthen the EU single market.

Following these presentations, the Commission:

- approved the Communication in COM(2026) 320/4 for transmission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions and, for information, to the national parliaments;
- adopted the proposal for a Regulation in COM(2026) 321/3 for transmission to the European Parliament, the Council, the European Economic and Social Committee, the European Data Protection Supervisor and the national parliaments, and, for information, to the Committee of the Regions, together with the impact assessment, the summary thereof and the opinion of the Regulatory Scrutiny Board in SWD(2026) 321/2, SWD(2026) 322/2 and SEC(2026) 321, the contents of which were noted;
- adopted the Recommendation in C(2026) 1800/3 and decided to notify it, for information, to the Member States, to publish it, for information, in the *Official Journal of the European Union* and to transmit it, for information, to the European Parliament, the Council, the European Investment Bank, the European Central Bank, the European Investment Fund and the national parliaments.

11. ORIENTATION DEBATE ON THE REVIEW OF THE MERGER GUIDELINES

The PRESIDENT opened the orientation debate by pointing out that Mr Draghi's report had highlighted the need to address the issue of mergers as part of a dynamic, long-term European approach. She noted a lack of scale among European

companies compared to their competitors, and felt that it was important for the EU to have more large companies in the future that would be able to compete on a global scale. The current Merger Guidelines had not been amended for over 20 years, whereas the world had changed fundamentally over the last two decades. It was essential, therefore, that the new guidelines be drawn up as soon as possible, with a view to their adoption by the Commission by the end of 2026.

Ms RIBERA noted that the Competitiveness Compass called for a comprehensive review of the Merger Guidelines. She stressed the need to better understand how companies worked and to assess what the Commission could do to better understand the benefits that companies could derive from mergers. She pointed out that competition law was designed to ensure that competition between operators stimulated innovation and contributed to reducing prices for consumers and end users. It was also important to properly take into account the realities of the internal market, while complying with the European rules in force.

In the vast majority of cases, companies had the opportunity to carry out mergers, the Commission having opposed only nine projects out of a total of 3 698 cases examined in the last 10 years. In 5% of the cases accepted, companies had been asked to make adjustments in order to respond to certain concerns raised by other European companies or by consumers. Half of the Commission's interventions had concerned non-European purchasers, in order to protect businesses and consumers in the EU's internal market.

Ms RIBERA pointed out that the aim of modernising merger control was to ensure greater transparency of the criteria applied, without listing what was prohibited, but rather by ensuring that, if a merger was considered beneficial, the Commission's support would then be rapid and effective. She stressed the importance of greater integration of the internal market, the strengthening of the EU's global competitiveness, and the role of the case law of the European courts in preventing killer acquisitions, in order to create a more favourable context for mergers and innovation.

She noted that the EU was not alone in adopting such an approach, pointing out that the United Kingdom had taken the same direction in 2021, followed by the United States in 2023. Nonetheless, when this new approach was put in place and these rules entered into force, the EU would be a real pioneer, with a single set of rules for all mergers, horizontal or non-horizontal, enabling a far better understanding of merger and acquisition projects.

Ms RIBERA considered that, in general, those mergers that generated more benefits than harm for the EU economy, particularly for consumers, should be authorised, especially where companies pooled resources to invest in technological advances. In certain cases, those benefits were difficult to demonstrate, because they only materialised over time. Consequently, longer assessment periods might be necessary for mergers or acquisitions in specific sectors, such as telecommunications or energy, although contacts at an early stage with the companies concerned could be considered in order to better understand the competitive advantages of the proposed mergers.

She stressed the importance of a more modern and forward-looking approach to merger assessment, which would give more weight to innovation and investment. In order to avoid acquisitions intended to destroy competitor companies, the new guidelines could introduce an ‘innovation shield’ that would protect innovative companies and startups from merger interventions in clearly defined circumstances. This could help to build the confidence needed to invest and grow in Europe.

Ms RIBERA pointed out that some companies bought potential rivals and that, due to insufficient regulatory thresholds, the Court of Justice of the European Union had not always allowed the Commission to act. She therefore considered that the new guidelines should allow the Commission to intervene if a national competition authority identified a potential problem. Thus, the ‘innovation shield’ could be activated to determine whether a merger or acquisition should be allowed to go ahead.

She stressed the importance of a dynamic approach, with a risk assessment that took into account future advantages and benefits for the internal market. A small number of mergers had the potential to harm innovation in Europe, for example by strengthening the market power of dominant players. The revised framework should therefore take into account potential long-term harm to innovation. The objective for the EU was to capitalise on its existing strengths and to support its small and medium-sized enterprises to become global players able to contend with their international competitors.

Ms RIBERA also pointed out that the sustainability and resilience of the European single market were key concepts in the assessment of each merger. Economic shocks and geopolitical shifts had an impact on markets and the way in which companies competed with each other. The revised guidelines could therefore include resilience and sustainability as relevant competition parameters. This would allow the Commission to intervene where mergers undermined those objectives and to facilitate mergers that contributed to them.

She further pointed out that, whereas mergers were very often authorised by the Commission, it was sometimes the case that the growth of certain companies was hindered at national level. Indeed, in recent years, Member States had intervened to prevent cross-border mergers, in order to protect national interests. Although such interventions were allowed under the Treaties and the Merger Regulation for reasons such as national security, in some cases they may have unnecessarily hindered the expansion of European businesses. The revised guidelines could therefore clarify the circumstances in which such interventions were justified, thereby offering greater certainty for businesses.

Ms RIBERA stressed that while the process of revising the guidelines was technical, the results would be essential for the competitiveness of the EU and EU businesses. She added that the aim was to protect the European anti-trust regulation *acquis* while adapting to understand the competition challenges in each sector. She noted that resilience and a pro-competition approach were central to the ongoing revision,

and that more than 450 experts had been consulted upstream, including national competition authorities, during various workshops and discussions that also involved large companies, specialists and academics. The next step was a public consultation in April 2026, with a view to adopting the new guidelines before the end of the year. Ms RIBERA concluded her presentation by highlighting the link between this revision and other Commission initiatives, particularly the Competitiveness Compass, the Clean Industrial Deal, the Defence Omnibus and the European Democracy Shield.

During the discussion that followed, the Commission raised the following main points:

- the observation that the world had changed profoundly over the last 20 years, with the focus having shifted from competition inside Europe to competition that was now on a worldwide scale, and the consequent need to be more flexible on mergers and to include the external dimension in the ongoing discussion;
- the fact that it was very difficult for European companies to make the necessary investment in their expansion, at a time when the EU needed big ‘champions’ to be competitive and ensure its sovereignty, as well as to attract funding;
- in that connection, the risk that the most promising startups would continue to develop abroad in a context of killer acquisitions that deprived the EU of their skills and capacity to innovate owing to insufficient funding;
- at the same time, the importance of not creating disproportionate requirements and additional red tape for startups, so that entrepreneurs were not deterred from starting up businesses in the EU;
- acknowledgement of Europe’s specific economic model, which was based primarily on small and medium-sized enterprises (SMEs), unlike the United States and China;

- in that context, the importance of moving towards a more diversified model to compete on a global scale, thus ensuring complementarity between SMEs and large companies;
- the need for a thorough assessment of killer acquisitions, based on clear and transparent criteria, especially when these acquisitions were made by non-European companies, given their potential impact on jobs and supply chains;
- a mention of Airbus and Thales and how they could serve as an inspirational example for several sectors of the economy, particularly the defence sector, where it was more important than ever to encourage interoperability in terms of capabilities, but also the telecoms, electronics, medical, space and port sectors, and all critical sectors in general;
- the link between company size and investment in research and development, and the case for looking more favourably at monopolies given their potential to foster innovation;
- recognition that large European companies were moving to non-EU countries and the need for the EU to provide a regulatory and tax framework for businesses that was no less favourable than other jurisdictions;
- the asymmetry between opening up the European market and the highly restrictive anti-trust laws in that market compared with the laws in competing countries;
- the importance of having EU-wide companies in sectors that were currently experiencing a high level of dependency and where it was crucial to restore European autonomy and sovereignty;
- the importance of the tight timetable of this review and of sticking to it, given the urgent need to boost European innovation and competitiveness.

In response to some of the points raised, Ms RIBERA said that discussions would continue on many of the topics covered. In her view, it was crucial to set out clear guidelines, without adding any further conditions or procedures. She noted that almost half of the mergers assessed by the Commission had involved non-European investors, which was clear evidence of how the overall context had changed over the last 20 years. Given this situation, it was crucial to maintain a level playing field to ensure that the EU was competitive and resilient and had strategic autonomy.

She observed that startups and scaleups needed investment to grow and added that, although the innovation shield was designed to help these companies, it should not open the door to any and all mergers. She felt it was important to strike the right balance between having large players on the European market and bolstering the EU's resilience, particularly in the digital sector, where a small number of market players, often non-European, held considerable sway. She also considered that a broader understanding of the concept of national security could lead to certain mergers being prohibited.

Ms RIBERA concluded by stressing that these new guidelines would not be able to meet all expectations, and that other instruments, such as foreign investment screening and the Industrial Accelerator, therefore needed to be taken into consideration to complement this approach. Lastly, she noted that the EU needed companies of all sizes and champions that thrived on global markets to make its economic system more resilient, in line with Europe's efforts to attract financial investment.

The PRESIDENT noted that it would be necessary to examine the telecommunications sector more closely. Currently, 27 separate markets existed, while the majority of operators were in favour of integration. She highlighted the small number of mergers that had been blocked by the Commission, observing, however, that the public did not seem to be aware of this fact. She also believed that many companies did not even attempt a merger, as they were discouraged by the long and costly process and uncertain outcome. In her view, it was important for the

Commission to properly assess the reasons why these companies had abandoned their plans.

The PRESIDENT concluded by stressing the importance of appropriate communication on the revision of the guidelines. The message must be clear: the world had changed, markets were now global and European businesses needed predictability.

The Commission took note of these contributions.

12. OTHER BUSINESS

LATEST DEVELOPMENTS IN EXTERNAL RELATIONS

Ms KALLAS briefed the College on the latest developments in external relations. She began by welcoming the fact that security and defence partnerships were being signed with Australia and Iceland that very day.

She also referred to the positive developments in the relations between Serbia and Kosovo, with an agreement having been reached, thanks to EU mediation, on the issue of civil registration and the law on foreigners. She felt that this progress created new momentum ahead of the high-level dialogue scheduled for 7 May.

As regards the situation in the Middle East, Ms KALLAS reported that, on 16 March, the Foreign Affairs Council had examined several options, including extending the mandate of the Aspides naval mission to the Strait of Hormuz. She noted that countries in Asia and Africa were the most affected by the blockade in the Strait. She reported on her discussions on this matter with the Indian Foreign Minister, stressing the desire for a diplomatic solution along the lines of the Black Sea Grain Initiative signed with the United Nations. She also highlighted the work undertaken in parallel with the Gulf countries and Türkiye to put forward joint proposals to end the war.

With regard to the situation in Lebanon, she expressed regret that Hezbollah had brought the country into the war and stressed that the massive Israeli response had displaced around 900 000 people, creating significant humanitarian needs.

On Gaza and the West Bank, Ms KALLAS said that the situation had deteriorated significantly, with the conflict having spread and reports of growing violence by Israeli settlers, in an overall context of stalemate in the peace process.

On the war in Ukraine, she noted that the planned talks had been postponed indefinitely and that rising oil prices triggered by the war in the Middle East now served Russia's interests by allowing it to continue financing its war of aggression. In addition, efforts relating to air-defence capabilities were now focused on the Middle East at the expense of Ukraine, which was also suffering the consequences of Iran transferring its drone know-how to Russia. As for the European loan to Ukraine that was currently blocked in the Council, she wondered whether a positive outcome could be achieved at the European Council on 19 and 20 March, noting that the Foreign Affairs Council on 16 March had stressed the importance of securing an agreement.

Ms KALLAS also highlighted the EU's positive role liaising between Ukraine and the Gulf countries, whose requirements in terms of drones and interceptors could potentially be met by the Ukrainian defence industry.

She ended by referring to the EU's commitment to the multilateral system and the upcoming visit to Brussels by the Secretary-General of the United Nations, António Guterres, on 18 and 19 March.

The Commission took note of this information.

*

* *

The meeting closed at 11.39.