

Response of Deutsche Börse Group  
to the  
European Commission's Call for Evidence  
on the 28<sup>th</sup> regime – EU corporate legal framework

Eschborn, 30 September 2025

**Deutsche Börse Group (DBG) welcomes the initiative by DG JUST to create a single, voluntary opt-in, unified legal framework that applies across EU Member States and encompasses relevant aspects of corporate law, insolvency, labour and tax law.** We are pleased about the opportunity to present our position in the context of this Call for Evidence.

The following statement was prepared on behalf of Deutsche Börse Group. As a financial market infrastructure with a global outlook and reach, we are proud to cover the entire capital market value chain from Investment Management Solutions, Trading and Clearing, Securities Services to Fund Services. Via the DBG subsidiary Clearstream Group, which is a leading provider of post-trade infrastructure and securities services for the German and international market, and which consists of the CSD Clearstream Europe AG and the ICSD Clearstream Banking S.A., clients benefit from access to over 60 domestic markets and all 19 T2S markets.

## ***1. Introduction***

The Single Market is a great strength of the European Union, yet the absence of a unified company law framework continues to create barriers for businesses operating across borders. The current landscape – fragmented across 27 national regimes – imposes unnecessary complexity, limits growth, and weakens Europe’s global competitiveness.

All European companies, regardless of size, sector, or stage of development, face structural challenges that restrict access to talent, complicate financing, and hinder expansion. These challenges affect companies seeking to scale across borders and fully leverage the opportunities of the Single Market. The 28th Regime, as an optional, harmonized legal framework, offers a unique opportunity to simplify operations, foster innovation, and empower businesses to thrive in a more integrated and resilient European economy. The structure of such a regime could be an integral pillar of the EU’s efforts to address fragmentation in various areas, like securities.

Deutsche Börse Group therefore suggests introducing a 28<sup>th</sup> regime that can be applied for fixed income debt securities first, specifically Eurobonds, which represent the key pillar of EU cross-border transactions. The 28<sup>th</sup> regime could then be extended to other asset classes at a later stage.

### ***1. Comments on the current scope of the 28<sup>th</sup> Regime***

The 28th Regime should be designed as an inclusive framework that any company can opt into. A broad and flexible scope is essential to ensure that the benefits of harmonization—

legal certainty, reduced administrative burden, and improved access to cross-border opportunities—are available to all.

This approach is strongly supported by recent expert analyses. The *Centre for European Policy Studies (CEPS) Report*, commissioned by the JURI Committee (*Barriers Facing EU Companies & the Case for a 28th Regime*), explicitly calls for the scope to be extended to all companies. Similarly, the study *The Scope of the 28th Regime* by Anne Sanders, also commissioned by the JURI Committee, advocates for a modular approach. Rather than restricting access to narrowly defined “innovative companies,” both studies emphasize that the regime should be open to businesses of all kinds and designed to meet the needs of innovative businesses without excluding others.

Any restriction of the regime to “innovative companies” would raise several practical and strategic concerns. First, “innovative” is inherently difficult to define in a consistent and objective way and requiring companies to prove they meet such a definition would create additional administrative burdens. Second, such a restriction could create complications for companies as they grow—particularly those aiming to scale up or list on public markets. In the context of the EU’s broader ambitions to strengthen capital markets under the Savings and Investment Union framework, forcing companies to exit the 28th Regime and transition to a national regime in order to list would be both costly and burdensome. This could act as a disincentive to listing or even to opting into the 28th Regime in the first place, especially for companies with long-term growth ambitions.

To ensure long-term relevance and usability, the regime must be accessible from the outset and remain viable throughout a company’s development. By offering a clear, consistent, and modern legal foundation, the 28th Regime can become a cornerstone of a more competitive and cohesive European business environment. However, we propose additional measures in this context.

## **2. Key Measures for the 28<sup>th</sup> Regime**

To fully realize the potential of the Single Market, the EU must adopt a comprehensive set of measures that address the structural challenges faced by companies across Member States. Improved access to corporate financing is essential to support growth, particularly for companies that often struggle to secure capital. Accelerated digitalization should be prioritized to streamline administrative processes and enhance operational efficiency. Modernizing labor laws will help companies attract and retain talent across borders, while harmonizing insolvency frameworks can provide greater legal certainty and protect business continuity. Alignment in securities law is also critical to reduce fragmentation and

facilitate cross-border investment. Finally, supervisory practices must evolve to ensure mutual recognition of company law forms and procedures, enabling companies to operate seamlessly across jurisdictions.

### ***Common Securities Law***

Despite two decades of progress in post-trade integration, many of the structural barriers identified in the Giovannini reports (2001, 2003) and the European Post Trade Forum (EPTF, 2017) remain unresolved. These include divergent national securities and corporate laws, inconsistent asset servicing practices, and fragmented tax processes. A 28th Regime for securities represents a renewed and promising push toward a common framework, offering a faster, more efficient path to dismantling structural barriers without replacing national laws. It would serve as a strategic pillar to offer a unified securities law relevant for interested issuers across jurisdictions. We advocate for a 28th Regime offering an optional legal framework for the issuance and transfer of dematerialized securities, as it would provide legal clarity, reduce fragmentation, and support a more integrated EU capital market.

Importantly, the capital markets perspective is currently missing in EU-level discussions, which is a fundamental shortcoming that must be addressed. A 28th Regime would fill this gap and act as a voluntary, Europe-wide opt-in framework, offering legal clarity, reducing fragmentation, and supporting a more integrated EU capital market. It would also boost EU competitiveness, helping bring the EU on par with jurisdictions like the United States and supporting the goals of the Single Issuance Utility (SIU). Issuers, investors, and the broader EU economy would benefit from enhanced liquidity, transparency, and market efficiency.

Such a regime would be especially relevant for debt instruments, like the Eurobonds market, which at EUR 14.4 trillion outstanding value, is by far the largest securities market in Europe. It is recognized by investors worldwide as a reliable, trustworthy and efficient marketplace with exceptional ability to enable corporate, financial, supranational and sovereign issuers to raise capital. The Eurobond market, which consists of international bonds issued in a currency different from the issuer's home currency, is fundamentally distinct from the concept of EU-Bonds, as it reflects broader global funding structures rather than a European public debt instrument. These characteristics make debt instruments including Eurobonds an ideal starting point for a standardized regime.

Establishing a harmonized EU framework would enhance legal certainty, reduce regulatory complexity, and improve the efficiency of issuance, distribution, custody, and asset servicing. It would also facilitate cross-border investment, particularly for companies

leveraging blockchain-based infrastructure, and support the EU's broader goals of competitiveness, innovation, and financial resilience.

To be effective, the 28th Regime needs to address the structural inconsistencies that continue to hinder cross-border capital flows, market scale, and competitiveness across the EU. The regime should begin with a targeted scope, focusing initially on debt securities such as Eurobonds, while remaining expandable to other asset classes over time. It should adopt a lifecycle approach, covering all stages and services associated with securities, to ensure a comprehensive and coherent legal framework. At the same time, it should, where necessary, selectively address related areas such as taxation and insolvency law, where necessary, to avoid leaving critical legal requirements fragmented at the national level. Such a framework for debt securities could help advance the goal of a common securities legislation.

From a digital finance perspective, the regime should be technologically advanced, supporting dematerialized securities, including distributed ledger technology (DLT), allow for machine-readable documentation, and standardized data points. It should facilitate instant issuance, settlement, and investment, overcoming current incompatibilities between national digital issuance laws and fostering innovation throughout the product lifecycle.

It must be designed as a permanent regime, without sunset clauses or “pilot” limitations, to provide long-term certainty and value. Compatibility with existing market practices is essential, including flexibility in currency denomination and the choice between commercial and central bank money, ensuring the regime can efficiently coexist and interoperate with national laws without duplication or legal uncertainty.

### **European Digital Registration System**

A European digital registration system, accessible in real time across all Member States and linked to the EUID, should be a key enabler of seamless cross-border activity.

### ***Reporting Burdens and the “Once-Only” Principle***

EU regulations and national rules currently impose a heavy reporting burden, with duplicative steps and suboptimal information availability. While ESAP centralizes relevant data, it remains unclear whether all required information is truly useful to stakeholders. A reduction in reporting requirements should be considered. We would welcome the adoption of a “once-only” principle: once companies have fulfilled their reporting obligations, they

should not bear further responsibility for how and where the information is accessed or used. This principle should be closely tied to digitalization efforts.

### ***Capital Increases and Financing Flexibility***

Capital increases are regulated differently across Europe, often limiting their flexible use for short-term corporate financing. Start-ups and SMEs, which typically have limited share capital, are especially constrained in their ability to use authorized or conditional capital. Removing fixed upper limits would not compromise investor protection but would enhance financing options.

### ***Harmonization of Insolvency Law***

Insolvency rules vary significantly across Member States, creating legal uncertainty and inefficiencies for companies operating in multiple jurisdictions. The 28th Regime should harmonize key aspects of insolvency law, with a focus on preserving the insolvency estate, clarifying directors' duties in the event of insolvency, and ensuring transparency throughout the process. A more consistent and predictable framework would support early restructuring efforts, protect creditors' rights, and reduce the risk of value destruction during cross-border insolvency proceedings.

### ***Labor Law Disparities***

Significant differences in national labor law systems, such as the role of trade unions, collective agreements, employee representation on supervisory boards, and frameworks for wage taxes and social security contributions, make it difficult for companies to attract and retain talent across borders. The 28th Regime should aim to minimize these disparities.

### ***Reform of the SE and Legal Form for Private Companies***

We also support a reform of the SE and the creation of a comparable legal form for private companies or limited liability companies. If such a reform is pursued, we recommend flexible rules for board structures, allowing founders to choose between monistic and dualistic models, along with harmonized rules for employee representation, dismissal protection, and working hours.

### ***Tax Harmonization Challenges***

The unanimity requirement for tax measures remains one of the most significant obstacles to the successful implementation of the 28th Regime. Overcoming this challenge will be essential.

### ***Employee Share Ownership Plans***

The development of uniform requirements for employee share ownership plans across the EU would empower companies, especially start-ups, to offer compensation structures that reduce wage pressure during growth phases while still providing attractive benefits. A common framework for tax incentives is particularly important.

### ***3. Conclusion***

The 28th Regime must be designed as an inclusive, future-proof framework that benefits all European companies. Only then can it truly serve as a catalyst for growth, innovation, and deeper integration within the EU's internal market.