

EU Inc. in Comparative Perspective

*An economic assessment of the proposed
28th regime*



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Executive Summary

The European Commission's EU Inc. proposal is intended to make company formation, financing and cross-border growth easier. Using Germany as a case study, this assessment asks whether the proposed rules would reduce costs to the economy as a whole or merely shift them to other stages, actors or institutions, potentially increasing overall costs and risks. It examines the claimed benefits of the EU Inc. from three perspectives: the company-level, institutional and procedural perspectives.

At company level, the EU Inc. offers no convincing cost advantage; rather the model-based analysis indicates that, in several cases, the EU Inc. may even entail higher costs than the current German framework. A straightforward fast-track formation using the EU model articles of association may initially cost less at the point of incorporation. However, the need for substantive legal review and advice does not disappear in connection with company formations, share transfers or capital increases. Instead, part of that work shifts to companies, investors and external legal advisers. An exploratory model calculation shows that these additional review and verification costs accumulate over the company life cycle and significantly exceed the costs of the current German framework. Potential litigation costs and other downstream costs are not included in this comparison.

At institutional level, shifting to the EU Inc. framework also creates significant risks and follow-on costs. In particular, review functions currently performed by independent actors in share transfers are shifted to the company itself. This weakens the reliability of register information and, in turn, the mechanisms used to prevent money laundering, tax evasion and other forms of misuse. International experience suggests that limited upfront checks can generate substantial downstream costs for review, correction and enforcement. Public authorities and commercial register courts would also face additional implementation costs.

The promised speed advantage is limited. The formation rules mainly concern formal registration. German law already provides for short registration periods, and many registrations are completed faster in practice. The point at which a company can actually start doing business still depends particularly on opening a bank account and completing tax registration. The Once-Only Principle offers genuine scope for simplification, but it addresses only part of the bottlenecks that currently slow the German formation process.

Overall, the analysis indicates that the proposed system would create substantial additional costs for companies, legal transactions and public budgets. In particular, the current draft Regulation does not demonstrate that removing existing ex ante review and safeguarding mechanisms would produce either a cost or a speed advantage. The administrative savings assumed by the Commission, for which detailed supporting evidence is limited, should therefore not be treated as equivalent to a reduction in economy-wide costs.

Table of Contents

1.	EU Inc. in Comparative Perspective: Background and Context	1
2.	Key Provisions of the Draft Regulation	3
2.1	Formation and preventive legal review.....	4
2.2	Share transfers and capital increases.....	5
2.3	Registers and the Once-Only Principle	6
3.	Baseline and Analytical Approach	7
3.1	European Commission cost estimate	7
3.2	Analytical approach: a broader cost framework	8
4.	Company-Level Perspective: Transaction Costs under the Two Systems	10
4.1	Scope and assessment approach	10
4.2	Cost comparison by transaction type.....	12
4.2.1	Formation	12
4.2.2	Share transfers	14
4.2.3	Capital increases and financing rounds.....	17
4.3	Life-cycle analysis	20
4.4	Litigation costs.....	22
4.4.1	Frequency of company-law litigation.....	22
4.4.2	Costs once litigation occurs.....	24
5.	Institutional Perspective: Register Reliability, Risks of Misuse and Fiscal Effects.....	26
5.1	Importance of register reliability.....	26
5.1.1	Economic value of high register reliability	26
5.1.2	Inconsistencies in the Commission's impact assessment	27
5.1.3	Structural gaps in the proposed safeguards.....	28
5.1.4	Case study: United Kingdom and company hijacking	29
5.1.5	Case study: Delaware and the shift from public to private verification.....	30
5.2	Risks of misuse: notarial safeguards and money laundering	31
5.2.1	The notarial system as a detection and reporting channel.....	31
5.2.2	Detected cases and undetected money laundering.....	32
5.2.3	Cost of notarial checks relative to the scale of money laundering	33
5.3	Fiscal effects: implementation and judicial costs.....	35
6.	Procedural Perspective: Time to Operational Readiness	37

6.1	Illustrative incorporation process and key steps.....	37
6.2	Time to operational readiness under the two systems.....	39
6.2.1	Company formation and registration.....	39
6.2.2	Access to an operational business account.....	40
6.2.3	Tax registration and invoicing readiness	41
7.	Overall Economic Assessment	41
	References	48
8.	Annex	53
8.1	Assumptions for the company-level comparison.....	53
8.2	Assumptions for the company-level life-cycle analysis	59

List of Figures

Figure 3-1: Perspectives of the analysis	9
Figure 4-1: Cost comparison for formation in the base case	13
Figure 4-2: Cost comparison for formation in the bespoke case	14
Figure 4-3: Cost comparison for a share transfer in the base case	16
Figure 4-4: Cost comparison for a share transfer in the higher-value case	17
Figure 4-5: Cost comparison for capital increases in the base case.....	19
Figure 4-6: Cost comparison for capital increases in the higher-value case	20
Figure 4-7: Life-cycle analysis, illustrative reference case	21
Figure 4-8: Company-law proceedings per 10,000 companies in Germany and the United Kingdom, 2025.....	23
Figure 5-1: Comparison of notarial check costs and money-laundering volume.....	35

List of Tables

Table 2-1: Overview of provisions relevant to the analysis	3
Table 7-1: Overview of expected costs of the proposed Regulation on the 28th regime using a broader cost framework.....	44
Table 8-1: Ex ante cost comparison for formation.....	53
Table 8-2: Ex post cost comparison for formation	54
Table 8-3: Ex ante cost items for share transfers.....	55
Table 8-4: Ex post cost items for share transfers	56
Table 8-5: Ex ante cost items for capital increases and financing rounds	57
Table 8-6: Ex post cost items for capital increases and financing rounds.....	58
Table 8-7: Assumptions for the life-cycle analysis	59

1. EU Inc. in Comparative Perspective: Background and Context

On 18 March 2026, the European Commission proposed the EU Inc., a new optional company form intended to provide companies with a uniform company-law framework across the European Union.¹ Its aim is in particular to simplify company formation, financing and cross-border growth and to reduce administrative costs arising from divergent national company laws (European Commission, 2026f).

The proposal follows an initiative of the European Parliament, which on 20 January 2026 adopted a resolution containing recommendations to the Commission for a 28th regime (European Parliament, 2026a). The Commission presented its proposal on 18 March 2026, and it has since been proceeding through the ordinary legislative procedure of the European Union (European Parliament, 2026b). In the European Parliament, the Committee on Legal Affairs (JURI) has lead responsibility and appointed René Repasi as rapporteur on 23 April 2026. In March 2026, the European Council declared the proposal a priority and called on the co-legislators to conclude negotiations by the end of 2026 (European Council, 2026). The same target is set out in the “One Europe, One Market” roadmap signed by the European Parliament, Council and Commission on 24 April 2026. It lists “end of 2026” as the target date for the EU Inc. proposal, while agreement on the package of single-market initiatives covered by the roadmap is envisaged by the end of 2027 at the latest (European Commission, 2026e). The first policy debate at the Council of the EU took place on 28 May 2026. Member States welcomed the initiative but largely stressed the need for effective safeguards against fraud, tax evasion and money laundering (Council of the European Union, 2026). On 26 June 2026, the General Secretariat of the Council published a compilation of written comments from 21 Member States. The main points of contention are the choice of legal basis and the rules determining employee participation (The 28th Regime, 2026). On 29 June 2026, the rapporteur presented his draft report (The 28th Regime, 2026). It seeks to narrow the scope of the proposal and add safeguards.² The Irish Council Presidency presented a first compromise proposal on 17 July 2026, which was discussed by the Council Working Party on Company

¹Hereinafter, the ‘Proposal for a Regulation of the European Parliament and of the Council on the company-law framework of the 28th regime, ‘EU Inc.’’ (see European Commission (2026f)) is referred to as the draft Regulation.

²First, the rapporteur retains fully digital formation with a short deadline and a cost cap of EUR 100 but adds mandatory identity verification before registration and AML checks. Second, the scope is to be limited to innovative companies. Third, shares in an EU Inc. are not to be tradable on either a multilateral trading facility or a regulated market, meaning that an IPO would require prior conversion into a national legal form. Fourth, employee participation would no longer be determined by the registered office but by the place of employment.

Law on 23 July 2026.³ The deadline for amendments to the draft report in the Committee on Legal Affairs also expired on 17 July 2026 (The 28th Regime, 2026).

A central element of the draft is the extensive digitalisation of company-law procedures at key stages of a company's life cycle. Where EU model articles of association are used, a new EU Inc. is to be entered in the register within 48 hours, at a cost of no more than EUR 100, and through an entirely digital process (European Commission, 2026a). Formations and amendments to the articles of association remain subject to limited preventive administrative, judicial or notarial scrutiny. By contrast, Member States may not impose additional requirements for the validity of share transfers, such as notarial authentication. Responsibility for reviewing the transfer and maintaining the digital share register is therefore largely shifted to the company itself (Arts 54 and 59 draft Regulation). The European Commission expects the proposed simplifications to reduce EU-wide administrative burdens by a total of EUR 328 million to EUR 440 million over ten years, without providing a more detailed justification for this estimate.

The German Federal Council (Bundesrat) supports the objective of simplifying the formation and cross-border activities of European companies, but considers amendments necessary in areas including identity verification, register procedures, safeguards against misuse and administrative implementation costs. On 8 May 2026, it had already issued an opinion on the Commission's preceding communication, "Towards a 28th regime for EU companies" (Bundesrat, 2026a). It highlights the established system of preventive legal review by notaries and commercial register courts, calls for identity verification by an official body at formation, and expressly states that digital self-identification using a qualified electronic signature is not equivalent (Bundesrat, 2026a). In a further opinion on the proposed Regulation dated 10 July 2026, the Bundesrat stressed that "fundamental structural changes to the Commission proposal" were required (Bundesrat, 2026b).

Against the background of the ongoing legislative process, the European Commission's impact assessment and the Bundesrat's positions, this assessment examines the proposed 28th regime from an economic perspective, using Germany as a case study. It focuses primarily on the costs associated with the current draft Regulation. The Commission's estimates provide the starting point for assessing administrative and economy-wide costs and savings, but the analysis tests these estimates critically because the claimed savings are not sufficiently substantiated. An economy-wide assessment must also ask whether costs and risks are shifted to later stages of the company life cycle or to other actors. The study therefore uses a broader cost framework covering three perspectives: private transaction costs

³The Irish Council Presidency's proposal is not publicly available.

at company formation, in share transfers and in capital increases and financing rounds; effects on register reliability, the prevention of misuse and public implementation costs; and the time required for a company to become operationally ready.

The objective is to determine whether the EU Inc. would genuinely reduce economy-wide costs or simply redistribute them across procedural steps, stages of the company life cycle and different actors, and whether the proposed procedures would be more efficient than the current German framework.

The assessment is structured as follows. Section 2 outlines the main provisions of the draft Regulation. Section 3 presents the baseline and analytical approach. Section 4 examines the proposal from the company-level perspective. Section 5 considers the institutional perspective, while Section 6 takes the procedural perspective, assessing the formation process and the time required to become operationally ready. Section 7 brings the findings together in an overall economic assessment and conclusion.

2. Key Provisions of the Draft Regulation

The proposed Regulation would create the EU Inc. as an optional, largely harmonised company form alongside existing national legal forms. Company-law procedures would generally be digital and would build in part on existing European infrastructure, in particular the Business Registers Interconnection System (BRIS). For the economic analysis, the most relevant provisions concern company formation and preventive legal review, share transfers, capital increases and the Once-Only Principle (see Table 2-1).

Table 2-1: Overview of provisions relevant to the analysis

Subject	Proposed design	Provision in draft Regulation
Formation and preventive legal review		
Formation using EU model articles	Scrutiny and registration within 48 hours, max. EUR 100	Arts 8, 16
Digital procedures	all procedures to be conducted exclusively and entirely online	Art. 10
Digital identification	eIDAS-based identification of prospective members of the management body	Art. 13

Preventive legal review	administrative, judicial or notarial; limited catalogue of checks	Art. 14
Formation without EU model articles	scrutiny and registration within five working days	Art. 17
Direct formation through national register	fully online; deadlines and costs under Arts 16 and 17	Art. 18
Share transfers and capital increases		
Share transfer	digital transfer, no notarial authentication, review by the company within three working days	Art. 59
Minimum capital	no minimum capital required	Art. 62
Issue of new shares	fully digital, no additional formal requirements including notarial authentication	Art. 67
Registers and Once-Only Principle		
Once-Only	automatic transmission of company data by the company register to tax, beneficial-ownership and social-security authorities	Arts 20, 28
Director disqualification	EU-wide prohibition where a disqualification exists and exchange of information	Art. 22
Central digital register	in future: central digital register for companies incorporated as an EU Inc.	Art. 34

Source: DIW Econ, based on the proposed Regulation.

2.1 Formation and preventive legal review

Under Art. 14 of the draft Regulation, company formation and amendments to the articles of association are subject to a limited preventive legal review by an administrative authority, a court or a notary. The review covers formal requirements and the minimum content of the articles, the company name

and corporate purpose, the legal capacity and capacity to act of the applicants, their powers of representation and, where relevant, the contribution of capital. The checklist does not extend to a broader substantive review of the articles.⁴ Member States may therefore continue to assign the review to notaries, although EU law would determine at least part of its scope.

The draft distinguishes between formations using the EU model articles of association and those using bespoke articles. Where the EU model articles are used, preventive legal review and registration must be completed within 48 hours at an overall cost of no more than EUR 100 (Art. 16 draft Regulation). Without the EU model, the deadline is five working days and no cost cap is specified (Art. 17(2) draft Regulation). The same deadlines apply where the company is formed directly through the national company register. Under Art. 8(2), use of the EU model articles is deemed to satisfy national requirements concerning the form and notarisation of the articles of association.

The procedures are generally to take place entirely online (Art. 18 draft Regulation). Physical presence may be required only in individual cases where there are specific grounds for suspecting identity fraud or non-compliance with requirements relating to legal capacity, capacity to act or powers of representation. Prospective members of the management body are identified when the application is submitted using electronic identification means under the eIDAS Regulation (Arts 10 and 13 draft Regulation). The founding shareholders, by contrast, are never identified by a public authority or another body responsible for preventive legal review. They sign the articles of association using trust services under the eIDAS Regulation (Art. 13(4) draft Regulation).

2.2 Share transfers and capital increases

The draft requires each EU Inc. to maintain its own digital share register. Shares may be transferred entirely online using a qualified or advanced electronic signature. Additional national formal requirements, expressly including notarial authentication, are excluded. The transfer becomes effective when it is entered in the digital share register. The company itself reviews the transferor's entitlement and compliance with the articles on the basis of the documents submitted and must decide on registration within three working days. Corrections in cases of error or fraud are governed by national law (Art. 59(10) draft Regulation).

⁴Whether the catalogue of checks in Art. 14(2) of the draft Regulation is exhaustive is disputed in the legal literature. See, expressing doubts, Stelmaszczyk (2026), para. 46, and Schmidt & Teichmann (2026), para. 48.

New shares may likewise be subscribed for entirely online. Art. 67 of the draft Regulation prohibits additional national formal requirements, including notarial authentication. Amendments to the articles and changes to company information that must be registered are subsequently filed under Art. 27 and are subject to the limited preventive legal review under Art. 14. Three legal steps must therefore be distinguished: amendment of the articles of association, subscription for the new shares and registration of the change. The preventive legal review under Art. 14 applies only to the amendment of the articles, which is filed under Art. 27 together with any other registrable changes. The subscription itself is not subject to a separate review. For the economic analysis, the issue of new shares must therefore be distinguished from the subsequent review of the register entry and the amended articles (Arts 27 and 67 draft Regulation). The EU Inc. is also not subject to a statutory minimum capital requirement (Art. 62 draft Regulation). Any review of capital contribution under Art. 14(2) is therefore limited to checking whether contributions stipulated in the articles have been paid.

2.3 Registers and the Once-Only Principle

The central EU interface is to be established as an access point to BRIS. The actual registration decision remains with the competent national authority. Under Art. 34 of the draft Regulation, the interface is subsequently to be developed into a central digital register for companies incorporated as an EU Inc.

Following registration (Art. 18 draft Regulation), the company register automatically transmits the data already collected to the competent authorities responsible for tax and VAT identification numbers, the beneficial ownership register and social security bodies. Separate applications or repeated data submissions are generally to be eliminated. The Once-Only Principle is therefore one of the draft's main mechanisms for administrative simplification (Arts 13, 20 and 28 draft Regulation).

As a safeguard, Art. 22 of the draft Regulation provides that persons disqualified from acting as directors in another Member State may not perform that function for an EU Inc. either. Applicants must declare in the application form whether they are aware of circumstances that could lead to disqualification (Art. 13(5) draft Regulation). At the same time, Art. 22(4) declares the rules on cross-border information exchange introduced by Art. 13i of Directive (EU) 2017/1132 under the Digitalisation Directive to be applicable. Information is exchanged on a case-by-case basis. Through BRIS, Member States respond to requests from other Member States as to whether a person is disqualified from acting as a director in their jurisdiction. There is no automatic check. Art. 13(6) merely presupposes that relevant circumstances may come to light during preventive legal review and, if so, provides that the accelerated procedure under Art. 16 does not apply. It does not establish a duty to carry out such a check.

3. Baseline and Analytical Approach

3.1 European Commission cost estimate

The European Commission expects the EU Inc. to reduce administrative burdens by a total of approximately EUR 328 million to EUR 440 million over ten years. This estimate is a central element of the economic rationale for the proposed Regulation. However, the impact assessment does not provide a complete comparison between the costs of the current German framework and those of the EU Inc. It focuses on directly measurable administrative burdens that are expected to fall through shorter procedures, digitalisation, standardisation and the removal of existing formalities (European Commission, 2026b). The impact assessment therefore applies a comparatively narrow cost framework.

This is particularly problematic where removing a formal requirement also removes a review, advisory or safeguarding service previously associated with it. The economic need for that service does not necessarily disappear. Instead, it may be shifted to companies, investors or private legal advisers, or arise only in later transactions in the form of additional due diligence, verification and correction costs. The same applies to institutional costs. Additional costs for commercial register courts, tax administrations and other competent bodies, as well as possible costs arising from lower register reliability or downstream legal enforcement, are only partly reflected, or not reflected at all, in the stated savings. The impact assessment therefore measures primarily which directly visible cost items are reduced, rather than systematically assessing which costs arise elsewhere to perform the same functions.

In addition, the stated savings themselves are subject to considerable uncertainty. For key assumptions on time and cost, only limited observable data are available. The quantification therefore relies to a substantial extent on stakeholder information, case examples, benchmarks and expert assessments. Accordingly, the Regulatory Scrutiny Board called for a stronger empirical basis and a more comprehensive assessment of benefits and adjustment costs (Regulatory Scrutiny Board, 2026). The European Parliamentary Research Service likewise points to evidence gaps and the impact assessment's strong focus on administrative burden reduction (European Parliamentary Research Service, 2026).

When assessing the EU Inc., it is also necessary to distinguish between savings that genuinely result from a different institutional design and savings that can already be achieved through digitalisation and standardisation. Digital procedures or automated data transmission can reduce transaction costs without abandoning existing review and safeguarding functions. This is particularly relevant for Germany, where company formation and registration procedures are already largely digitalised. A practical review by the Federal Ministry of Justice assessed notarial involvement in GmbH formations, from

the perspective of participating companies, as fast, digital and comparatively inexpensive. The main practical obstacles were instead identified in other parts of the formation process (Bundesministerium der Justiz und für Verbraucherschutz, 2024). Savings attributed to the EU Inc. therefore cannot automatically be equated with an efficiency gain from removing preventive legal review.

Finally, the assumed public implementation costs also appear incomplete. For technical implementation at Member State level, the impact assessment assumes comparatively low one-off costs and classifies further IT expenditure as largely marginal (European Commission, 2026b). By contrast, the Bundesrat expects substantial additional technical, organisational and staffing requirements, including for commercial register courts, tax administrations and the bodies responsible for data transmission and control. In particular, it states that the accelerated procedures and implementation of the Once-Only Principle cannot be handled with the resources currently available (Bundesrat, 2026b, 2026a).

Overall, the European Commission's cost estimate is therefore too narrow for an economy-wide comparison of the two systems. It captures possible direct administrative savings, but does not adequately consider whether the functions previously associated with those costs remain necessary or what private and public costs arise when they are shifted elsewhere. The savings stated by the European Commission therefore cannot be interpreted as an economy-wide reduction in costs.

3.2 Analytical approach: a broader cost framework

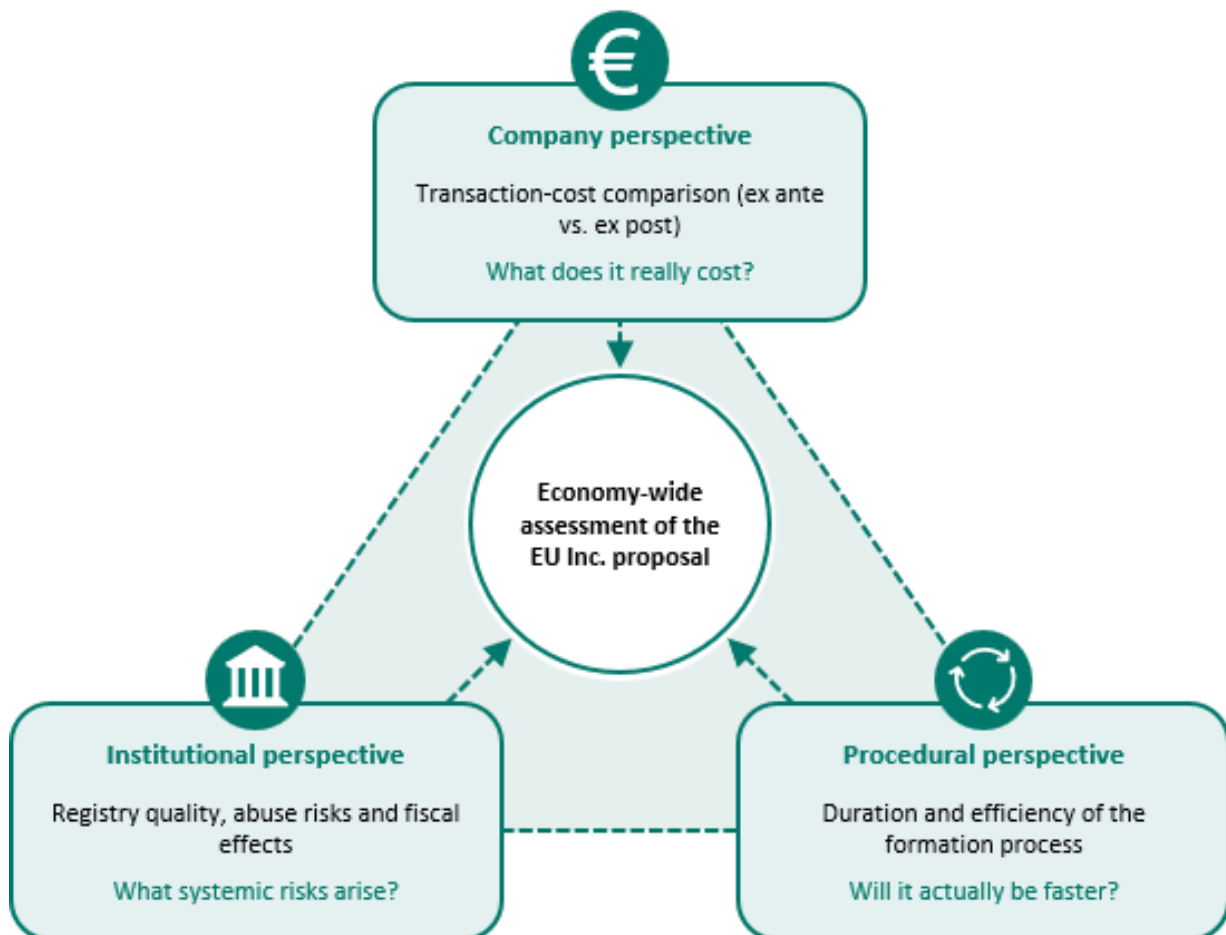
In response to the limitations of the impact assessment outlined above, this assessment adopts a broader cost framework. It draws on the transaction-cost approach of New Institutional Economics and considers the costs associated with the institutional design of company-law procedures. The framework includes costs that arise outside the administrative step immediately under review, as well as costs that the proposed institutional shift would move to other actors or later stages of a transaction.

The broader cost framework provides a common basis for assessing three complementary perspectives (see Figure 3-1):

- The company-level perspective examines the private transaction costs of the transactions considered. It covers both costs incurred directly in connection with a transaction and possible later costs, for example for legal advice, due diligence or litigation.
- The institutional perspective examines effects on register reliability and the prevention of misuse, as well as potential follow-on costs for public bodies, particularly in tax collection and anti-money-laundering (AML) enforcement.

- The procedural perspective compares the key steps in each process and identifies what determines when a company can actually start doing business and where time-related or administrative bottlenecks arise.

Figure 3-1: Perspectives of the analysis



Source: DIW Econ.

The analysis is subject to fundamental empirical uncertainty. The EU Inc. does not yet exist and the proposed Regulation remains in the legislative process. There are therefore no observational data on its actual use or on the economic effects of the proposed rules. The future user base and uptake of the legal form are also uncertain. The analysis consequently relies on the current draft Regulation, data on the current German framework and, selectively, experience from other jurisdictions. Such comparisons can illustrate individual institutional mechanisms but are only partly transferable because the underlying legal and economic conditions differ.

The effects examined also differ in how readily they can be measured and monetised. Fees, administrative burdens and individual processing times are comparatively well documented, whereas private follow-on costs, the effects of less reliable register data, risks of misuse and additional burdens on

public bodies are captured only partially. A complete cost-benefit calculation is therefore not possible. The analysis quantifies effects where robust data or plausible ranges are available and supplements these estimates with qualitative analysis grounded in institutional economics. The results should therefore be read as an assessment of the likely direction and approximate magnitude of the effects, not as a forecast of the total effects that will ultimately materialise.

4. Company-Level Perspective: Transaction Costs under the Two Systems

4.1 Scope and assessment approach

Company-law transactions involve costs beyond formal fees, including information gathering, contract drafting, identity and entitlement checks, legal advice, documentation and proof, and, where relevant, dispute resolution and enforcement. This broader view reflects the transaction-cost approach of New Institutional Economics, under which markets and organisations incur costs in initiating, safeguarding and enforcing exchange relationships (Ménard & Shirley, 2025).

Different institutional systems place these costs at different points in the transaction process. Under Germany's system of preventive justice, the costs of review, advice and documentation are concentrated ex ante, before a contract is concluded. Systems that rely more heavily on ex post remedies tend to provide comparable safeguards later through private review, due diligence or litigation. The relevant question for the cost comparison is therefore not whether a fee disappears, but whether the underlying function disappears or is shifted to other actors or later stages of the transaction (Bormann & Bender, 2024; Knieper, 2017; Murray & Stürner, 2020).

The analysis examines three central types of company-law transaction: company formation, share transfers, and capital increases and financing rounds. For each transaction type, the current German framework is compared with the EU Inc. The German reference cases are chosen so that the transactions being compared are as functionally similar as possible.

A distinction is made between the ex ante and ex post costs of each transaction. Ex ante costs arise before or in the course of completion and include, in particular, statutory fees, internal time, contract drafting, legal advice, and review and due-diligence costs. Ex post costs arise after completion, for example through later review, insurance and verification costs or the cost of correcting errors. The costs of legal disputes and enforcement are considered separately because of their particular

uncertainty. Costs can also persist throughout the company life cycle. Inadequate review of an earlier transaction may, for example, increase due-diligence expenditure before a later transaction.

The modelling is exploratory. Its purpose is to show how costs may shift between the current German framework and the EU Inc. when legal review, advice and safeguarding functions are organised differently. Plausible cost assumptions and ranges are compared for the main transaction types. Lower and upper bounds are shown where the underlying assumptions allow for a meaningful range, for example because the amount of legal advice or review required can vary. Where costs can be determined unambiguously, a single value is used. All costs are shown excluding VAT. For notarial transactions, the calculation includes not only the basic notarisation fees but also customary, though not always mandatory, additional statutory fees, for example for completion and further notarial handling of the transaction. This approach is applied consistently to formations, share transfers and capital increases. The assumptions are set out in full in Annexes 8.1 and 8.2. The model is not intended to predict the behaviour of individual companies, but to provide a structured illustration of the potential cost effects of the proposed institutional change.

The main transaction types are first examined separately in Section 4.2 to make the cost differences between the two systems transparent. In practice, however, the effects can extend far beyond an individual company-law transaction. If a company's existence, powers of representation or ownership structure are not documented in a legally reliable and readily verifiable way, additional checks may be required repeatedly in ordinary business, for example when opening bank accounts, entering into leases, insurance or supply contracts, or carrying out major asset transactions. Similar work may recur in later financing rounds or share transfers. Section 4.3 therefore adds an illustrative life-cycle perspective to show how costs can shift, recur and accumulate across several stages of a company's development.

Costs arising from legal disputes and their enforcement play a particular role. They can be substantial in individual cases, but because they are difficult to predict, they cannot be incorporated robustly into the transaction-based modelling. They are therefore excluded from the central cost comparisons and considered separately in Section 4.4 using scenarios.

4.2 Cost comparison by transaction type

4.2.1 Formation

The EU Inc. promises particularly visible simplifications at formation. Where the EU model articles are used, the company can use a fast-track procedure with registration within 48 hours. The combined cost of registration and any preventive legal review may not exceed EUR 100 (European Commission, 2026a). For formations using bespoke articles, the impact assessment assumes higher costs.

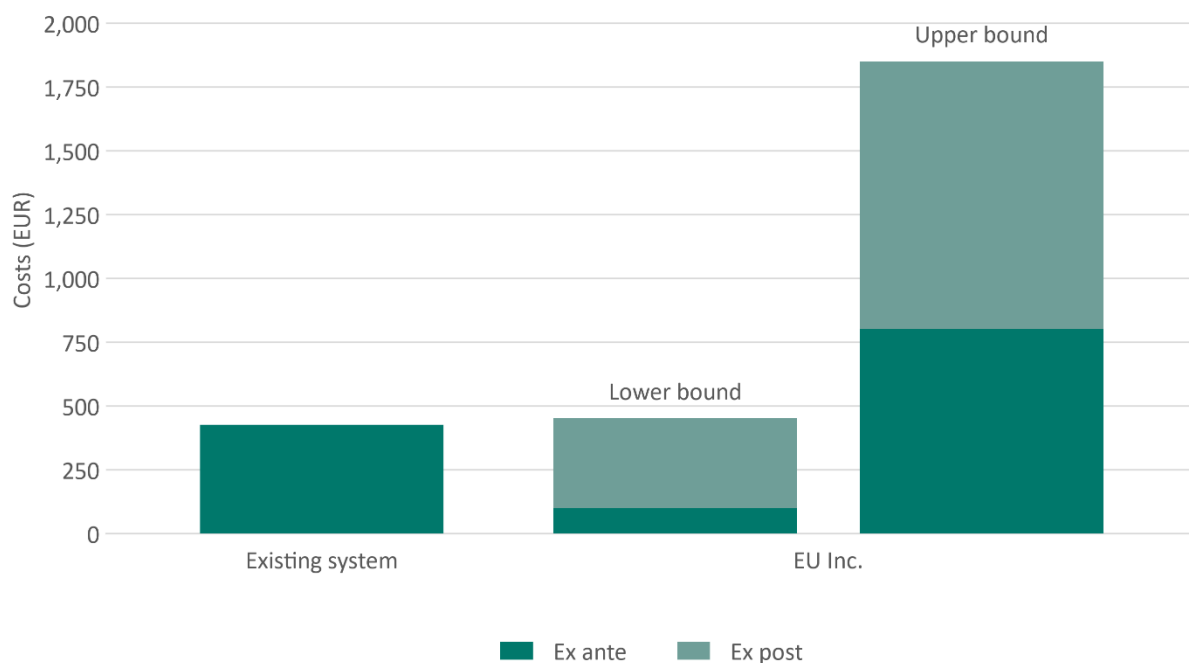
Two formation scenarios are used for the cost comparison. The base case compares a standardised EU Inc. formation using the EU model articles of association under the fast-track procedure with the formation of a single-member UG using the statutory model protocol. Both rely largely on predefined templates and represent straightforward formations with limited need for bespoke drafting. The bespoke case, by contrast, considers a formation with individually drafted articles of association and correspondingly greater need for legal advice and drafting. For the EU Inc., the costs assumed by the European Commission for an individually structured formation are used as the reference. The bespoke case therefore illustrates the costs that may arise in both systems when individual contractual drafting and legal advice are required.

Formation: base case

If only ex ante costs are considered, the EU Inc. may initially appear cheaper than the current German framework in the base case (see Figure 4-1). Under the fast-track procedure, direct formation and registration costs are capped at EUR 100, whereas statutory fees for notarial involvement and registration in the current German framework total EUR 425. This cost advantage exists only if the EU Inc. obtains no additional private legal advice (EU Inc. lower bound). That cannot be assumed in every case, because removing notarial involvement does not remove the need for legal advice that it covers in the current German framework. Even when standard templates are used, advice may be required if it is unclear whether the template adequately reflects the interests of the specific case, or if assistance is needed when completing open fields such as the corporate purpose, company name or rules on representation. Model documents may in some cases even increase the need to explain the legal implications of the transaction because they are generally kept simple and therefore leave most matters to statutory rules that are not directly apparent from the document itself. This includes, for example, the practically important statutory rules on the liability of shareholders and managing directors. Assuming typical advisory time and fees, the ex ante costs of the EU Inc. may therefore already exceed those of the current German framework in the base case (EU Inc. upper bound). In addition, subsequent review and verification costs may arise. In the current German framework, these can largely be avoided

because of the upfront review and the reliability of the public register. As soon as any ex post costs arise for the EU Inc., the total costs of the base-case formation exceed those of the current German framework. The full assumptions for the base case are set out in Table 8-1 for ex ante costs and Table 8-2 for ex post costs.

Figure 4-1: Cost comparison for formation in the base case

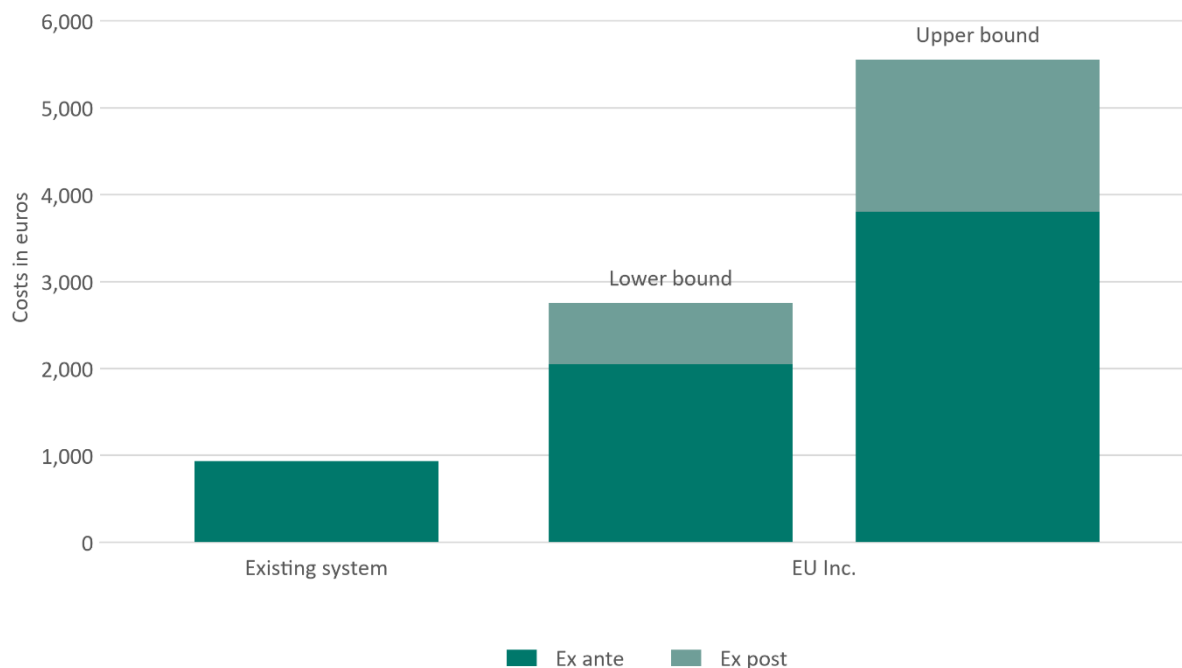


Source: DIW Econ modelling.

Formation: bespoke case

In the bespoke case, the ex ante cost comparison already clearly favours the current German framework (Figure 4-2). Once individually drafted articles of association are required, both systems involve a need for qualified legal advice and contract drafting. Under the current German framework, substantial parts of these services are covered by notarial involvement. Under the EU Inc., equivalent services must instead be purchased privately. The lower bound assumes comparatively limited drafting and advisory work, while the upper bound reflects the greater effort that may plausibly be required in more complex bespoke formations. The EU Inc.'s ex ante costs may therefore already exceed those of the current German framework at the lower bound and rise further at the upper bound. Additional ex post costs may arise if legal issues have to be reviewed again in later transactions or earlier arrangements need to be reconstructed. Here too, the range reflects different intensities of review and verification. The full assumptions for the bespoke case are set out in Annex Table 8-1 for ex ante costs and Table 8-2 for ex post costs.

Figure 4-2: Cost comparison for formation in the bespoke case



Source: DIW Econ modelling.

4.2.2 Share transfers

The institutional difference between the two systems is particularly pronounced for share transfers. In the current German framework, the transfer of GmbH shares requires notarial authentication. A notarially certified list of shareholders is subsequently filed with the commercial register. For an EU Inc., by contrast, the validity of the transfer may not be made subject to additional formal requirements such as notarial authentication. The company maintains its own share register and reviews whether the requirements for registration are met. The direct costs of notarial authentication therefore disappear, while review and documentation tasks are shifted to the company and the parties to the transaction (European Commission, 2026a).

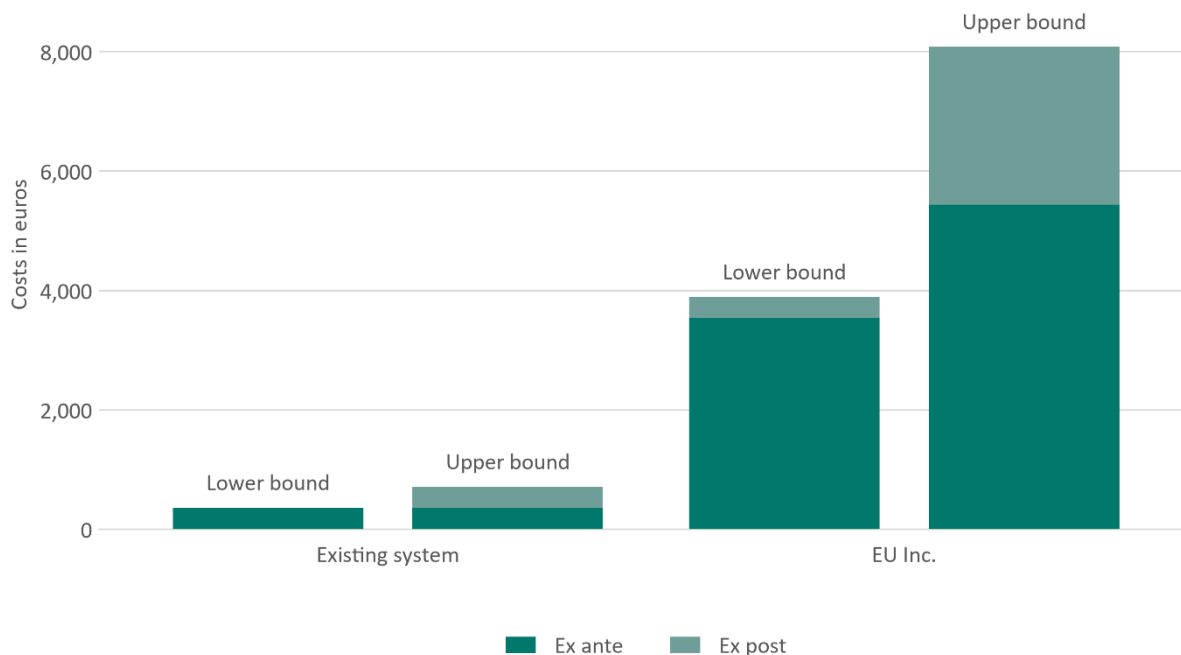
The Commission expects particularly substantial savings from share transfers. For a transaction worth EUR 500,000, the impact assessment estimates savings of around EUR 1,780 to EUR 2,850. The estimate is based mainly on the elimination of intermediary and procedural costs and on lower time and coordination requirements resulting from the digital process (European Commission, 2026b). The estimate is highly uncertain because key assumptions on time and costs rely on ambiguous benchmarks and stakeholder information. In addition, the Commission does not account for possible additional private review and safeguarding costs.

Two cases are modelled. The base case represents a comparatively straightforward share transfer. The higher-value case considers a transaction worth EUR 500,000 and assumes a correspondingly greater need for legal review and safeguards. Lower and upper bounds are modelled for both cases to reflect uncertainty, particularly in the amount of private legal advice required.

Share transfer: base case

Even in the base case, the ex ante cost comparison clearly favours the current German framework (Figure 4-3). Although the EU Inc. removes mandatory notarial authentication, the need for substantive legal review and advice remains and shifts to a greater extent to private legal advisers and the company itself. Under the current German framework, review, authentication and completion are largely bundled within the legally regulated notarial procedure. For the EU Inc., the lower bound assumes a moderate amount of private legal advice and review to replace the notarial involvement that is removed, while the upper bound assumes greater advisory and coordination effort. In both scenarios, the modelled ex ante costs of the EU Inc., including external legal advice and internal staff time, already exceed those of the current German framework. The EU Inc. also gives rise to higher ex post costs, particularly for later verification and documentary proof. The range again reflects different levels of review effort. The full assumptions are set out in Annex Table 8-3 for ex ante costs and Table 8-4 for ex post costs.

Figure 4-3: Cost comparison for a share transfer in the base case

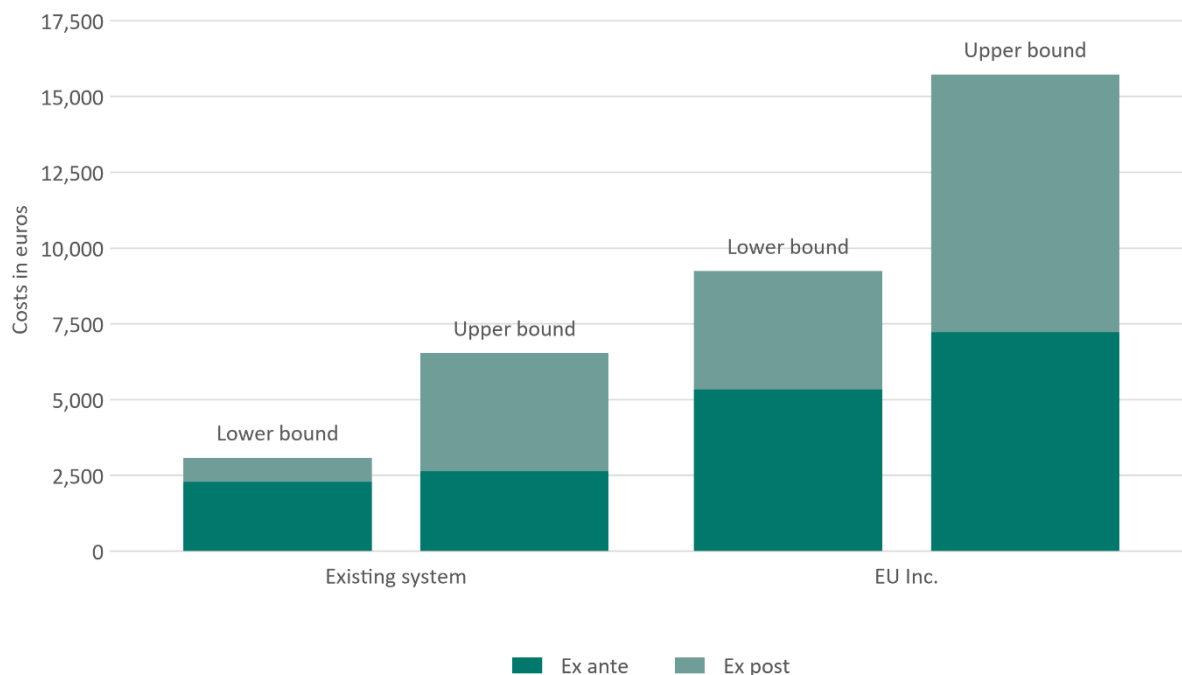


Source: DIW Econ modelling.

Share transfer: higher-value case

In the higher-value case, statutory costs for notarial authentication and completion are higher than in the base case because the share transfer has a greater value. At the same time, notarial involvement under the current German framework continues to cover the ex ante advisory work in most cases, as assumed at the lower bound. The upper bound allows for a limited amount of additional external company-law advice in more complex cases. Even under the current German framework, exceptional cases may require additional ex post checks, documentary proof or legal opinions, as reflected at the upper bound. Under the EU Inc., however, greater complexity is assumed to increase both the need for private legal advice ex ante and potential review and safeguarding costs ex post (Figure 4-4). The cost disadvantage of the EU Inc. therefore arises from shifting functions that are currently bundled into private services that may have to be purchased repeatedly. The full assumptions are set out in Annex Table 8-3 for ex ante costs and Table 8-4 for ex post costs.

Figure 4-4: Cost comparison for a share transfer in the higher-value case



Source: DIW Econ modelling.

4.2.3 Capital increases and financing rounds

Capital increases and financing rounds regularly combine the subscription of new shares with more extensive legal structuring. In the current German framework, a GmbH capital increase is carried out by means of a notarised shareholders' resolution, subscription declarations drawn up or certified by a notary, and subsequent registration in the commercial register (Sections 53 and 55 GmbHG). These steps can already be completed digitally under current law. For the EU Inc., a distinction must be drawn between amending the articles of association and subscribing for new shares. Art. 67(6) of the draft Regulation excludes additional national formal requirements, including a notarial deed, only for the subscription of new shares. Functionally, this corresponds to the subscription declaration under German GmbH law.

The European Commission expects this to generate savings of around EUR 1,100 per financing round. Of this amount, EUR 600 is attributed to an assumed time saving of 15 hours and a further EUR 500 to lower legal, administrative and coordination costs (European Commission, 2026a). This calculation is too narrow. Under the broader cost framework applied here, a substantial part of the legal work involved in financing rounds is independent of formal completion, including the design of investor rights, investment agreements, anti-dilution protection and governance arrangements. Removing formal requirements therefore does not automatically eliminate the corresponding need for advice and review.

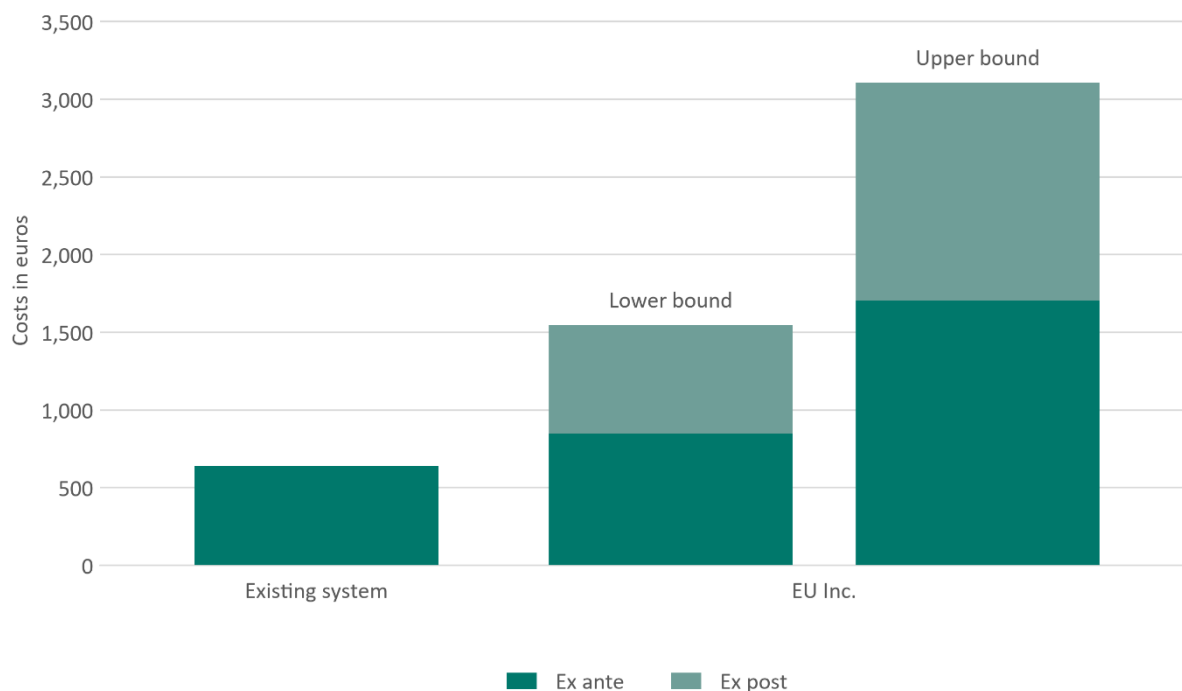
Two cases are again used in the modelling. The base case represents a straightforward capital increase of EUR 25,000 with only limited need for bespoke structuring. The higher-value case represents a financing round of EUR 500,000 with correspondingly more extensive contractual drafting and legal review. In addition to the ex ante costs incurred at the time of the transaction, the model includes ex post costs that may arise if an earlier capital increase has to be reviewed again in a later financing round.

Capital increases and financing rounds: base case

In the base case, the EU Inc. shows no clear ex ante cost advantage (Figure 4-5). Although notarial formalities for the subscription of shares are removed, legal review, drafting and transaction handling must instead be provided to a greater extent through private advisers and internal resources. Under the current German framework, substantial parts of these services are bundled within the legally regulated notarial procedure. For the EU Inc., the lower bound assumes a moderate amount of private legal advice and drafting, while the upper bound reflects greater advisory effort. The cost framework for registering an EU Inc. has not yet been determined conclusively, so the model uses a conservative assumption. Overall, the EU Inc.'s ex ante costs may therefore already exceed those of the current German framework in the base case.

No additional ex post review effort is assumed for the current German framework because the capital increase has already been accompanied by a notary and reviewed by the commercial register court, and the relevant company-law position can be traced through the commercial register. Under the EU Inc., by contrast, additional review and verification costs may arise if the proper implementation of the capital increase has to be reconstructed in later transactions. The full assumptions for the base case are set out in Annex Table 8-5 for ex ante costs and Table 8-6 for ex post costs.

Figure 4-5: Cost comparison for capital increases in the base case

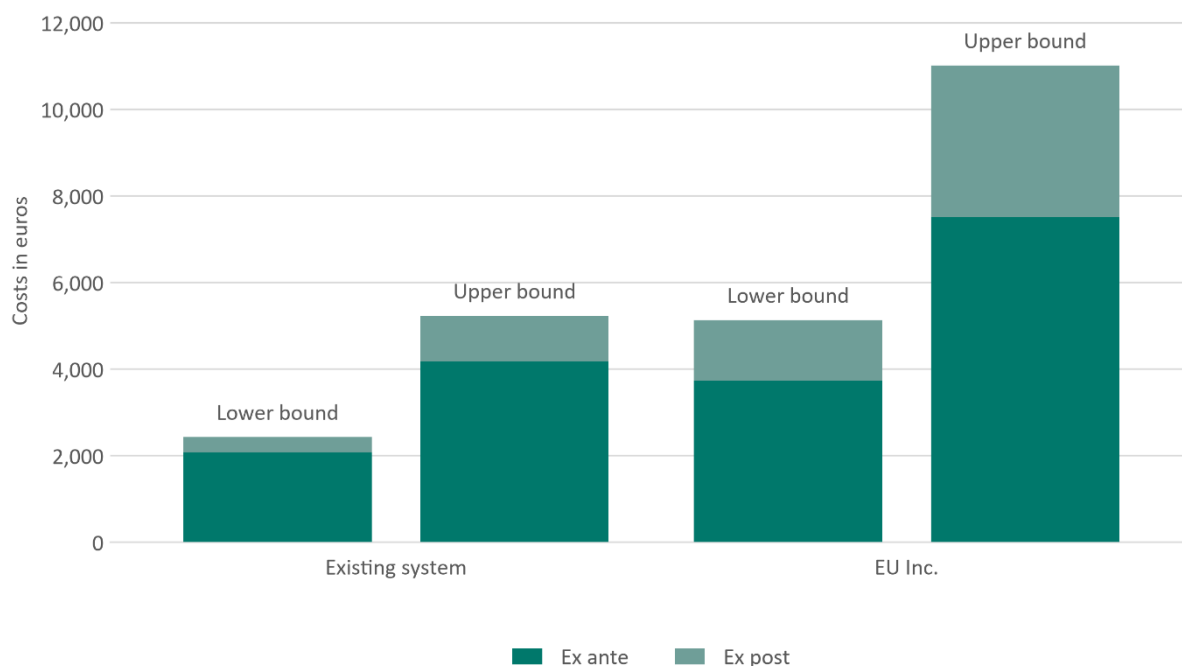


Source: DIW Econ modelling.

Capital increases and financing rounds: higher-value case

In the higher-value case, ex ante costs under the current German framework increase with the size of the capital increase because notarial fees are based on the transaction value (Figure 4-6). At the same time, the expected need for private legal advice and drafting under the EU Inc. also increases with complexity. Unlike in the base case, a small amount of additional ex post review is also included for the current German framework, for example to reconcile the register position with the cap table, investment agreements or other transaction documents in more complex ownership structures. This work does not involve revalidating the capital increase itself. The full assumptions for the higher-value case are set out in Annex Table 8-5 for ex ante costs and Table 8-6 for ex post costs.

Figure 4-6: Cost comparison for capital increases in the higher-value case



Source: DIW Econ modelling.

4.3 Life-cycle analysis

The comparisons above consider formation, share transfers and capital increases as separate, independent transactions. In business practice, however, the associated costs can continue across several stages of a company's development. A life-cycle analysis illustrates a growth-oriented company development path over ten years. It assumes a standardised formation in year 1, a financing round in year 4, a secondary share transfer⁵ in year 7 and a further financing round in year 9. For the later transactions, the higher-value case with a transaction value of EUR 500,000 is used in each case. This order of magnitude also corresponds to the European Commission's example of a growth-stage share transfer (European Commission, 2026b). The trajectory is illustrative and does not represent a statistically average company life cycle. The full assumptions are set out in Table 8-7 in the Annex.

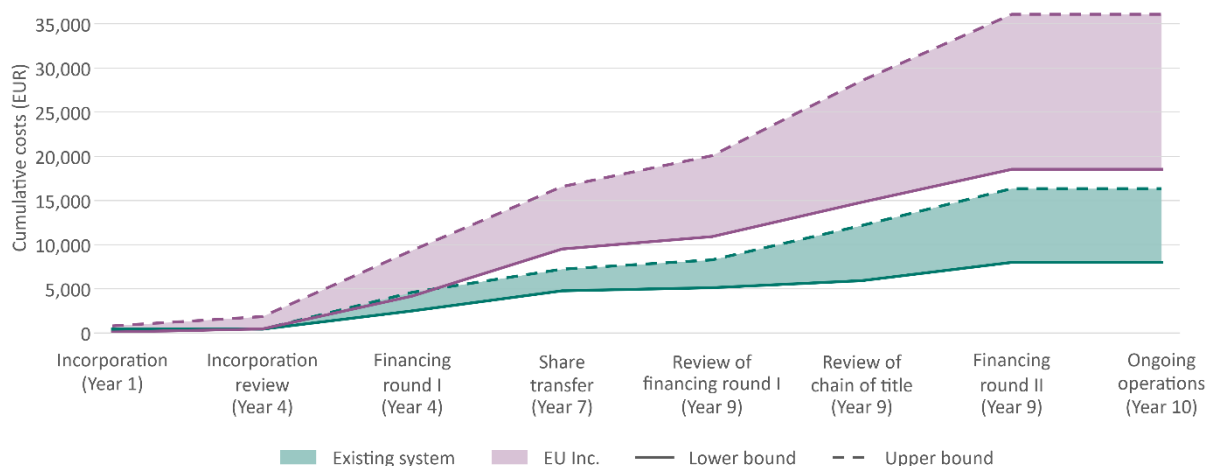
The timing of costs is decisive for the life-cycle analysis. Downstream review and verification costs can in principle be triggered not only by later company-law transactions. They may also arise in the course

⁵A secondary share transfer is the transfer of existing company shares from an existing shareholder to a buyer. It is therefore a subcategory of the share transfers considered in this study. Unlike a capital increase, no new shares are issued and no additional equity is provided to the company. In the life-cycle scenario, the higher-value case for a share transfer with a transaction value of EUR 500,000 is used.

of ordinary business operations when a company must reliably demonstrate its existence, powers of representation or ownership structure to banks, landlords, insurers, business partners or public authorities. The practical review by the Federal Ministry of Justice underlines the economic importance of simple and reliable evidence of a company's legal and representation arrangements and points to experience with repeated requests for documentary proof in systems with less preventive legal review (Bundesministerium der Justiz und für Verbraucherschutz, 2024). Bormann and Bender (2024) likewise describe reliable public registers as infrastructure that can reduce repeated private review and due-diligence costs.

For transparency, the quantitative life-cycle analysis includes only downstream costs triggered by the company-law transactions explicitly modelled. Possible additional review and verification costs arising in ordinary business operations are not quantified. The model therefore does not fully capture the potential downstream costs of reduced upfront review. At the first financing round, it includes possible verification and review costs relating to the original formation. At the second financing round, it adds the review of the earlier capital increase, the intervening secondary share transfer and the resulting chain of title.

Figure 4-7: Life-cycle analysis, illustrative reference case



Source: DIW Econ modelling.

The results show that the differences between the systems increase substantially as the number of transactions rises (see Figure 4-7). Immediately after formation, only the previously modelled ex ante formation costs arise, particularly registration and procedural costs and, where applicable, additional legal advice. The first financing round adds further categories of cost. Alongside the ex ante costs of the capital increase for completion, registration and bespoke contractual drafting, the analysis includes the ex post costs of the original formation that may arise when the formation documents are reviewed

and verified later. The subsequent share transfer adds the ex ante costs of that transfer, particularly for completion, updating the ownership structure, contract drafting and advice. Its ex post costs, such as verifying the seller's entitlement, reviewing the chain of title and, where relevant, obtaining legal opinions and other safeguards, are triggered only by the following financing round. At the second financing round, the new ex ante costs of the capital increase therefore arise alongside the ex post costs of the earlier financing round and preceding share transfer. This accumulation of recurring review and verification costs is why the cost paths of the two systems increasingly diverge as the company develops. The modelling covers only costs arising from the company-law transactions shown. Additional verification and review requirements that may arise during ordinary business operations are not included in the reported costs.

4.4 Litigation costs

The preceding model calculations include ex ante and ex post costs that can be quantified with sufficient robustness for the transactions considered. They do not include the costs of litigation and enforcement. These costs are nevertheless relevant to a complete comparison based on a broader cost framework. One central objective of preventive justice is to identify legal errors and ambiguities before or during a transaction and thereby avoid later disputes. A lower level of preventive legal review can accordingly shift costs and risks to the period after the transaction (Knieper, 2017; Murray & Stürner, 2020).

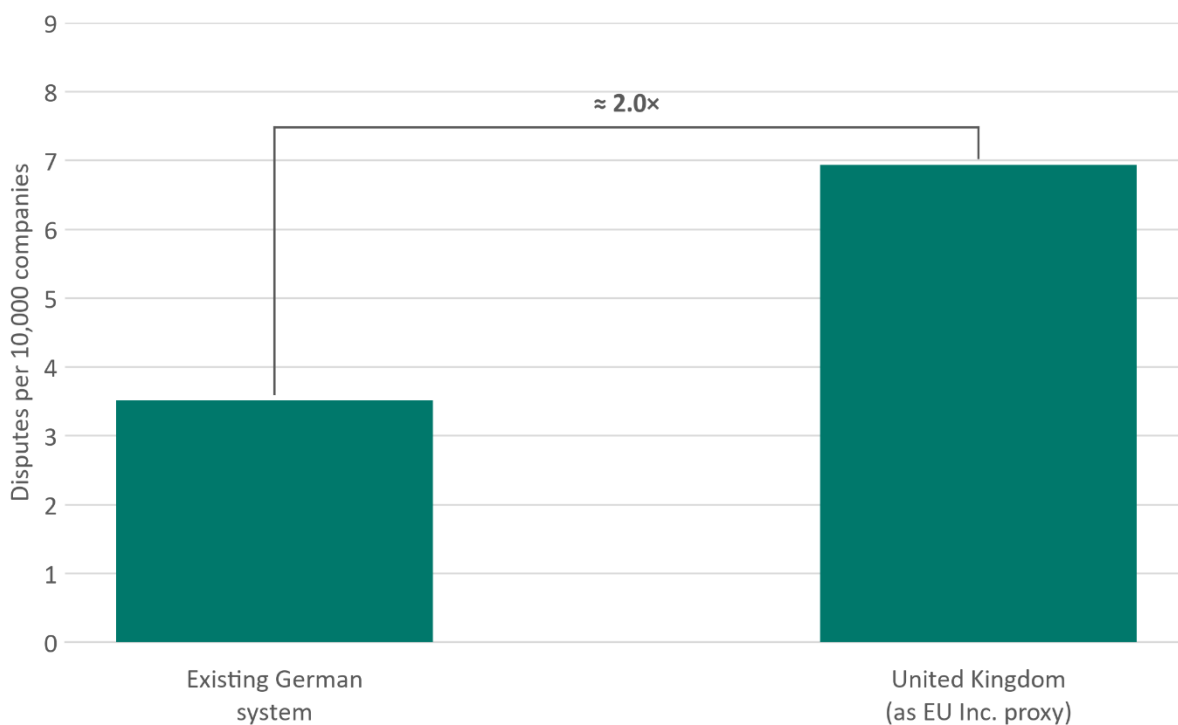
The following analysis therefore first examines differences in the frequency of company-law disputes between legal systems with different institutional designs. It then considers the direct costs once a dispute arises and the possible wider economic consequences.

4.4.1 Frequency of company-law litigation

One potential difference between the two systems lies in the probability that company-law transactions subsequently become the subject of litigation. In the current German framework, notarial advice, contract drafting and legality checks are intended to identify legal errors and ambiguities before a transaction is completed. The economic logic of preventive justice is therefore to incur review costs ex ante in order to reduce later costs of legal clarification. Murray and Stürner accordingly describe the avoidance of costly and time-consuming litigation as a function of the German notarial system. Knieper likewise identifies a general relationship between preventive legal review and the probability of disputes (Knieper, 2017).

No litigation data yet exist for the EU Inc. To provide context, Germany is used as the reference for the current framework and compared with the United Kingdom, a jurisdiction with substantially less preventive legal review (see Figure 4-8). Based on available court and company statistics, Germany records around 3.5 company-law proceedings per 10,000 companies per year, compared with around 6.9 proceedings per 10,000 companies in the United Kingdom. The observed litigation rate is therefore approximately twice as high in the United Kingdom (Companies House, 2025; Ministry of Justice, 2025; Statistisches Bundesamt, 2025, 2026).

Figure 4-8: Company-law proceedings per 10,000 companies in Germany and the United Kingdom, 2025



Source: DIW Econ modelling.

The comparison therefore indicates that different institutional systems may be associated with substantial differences in litigation intensity and the related ex post costs.⁶

⁶The EU Inc. is a legal form that does not yet exist, so there are no directly observable data on its probability of litigation. The comparison between Germany and the United Kingdom is therefore used only to indicate possible orders of magnitude. Differences in substantive law, company structure, statistical recording and litigation culture may also contribute to the observed difference. In particular, the comparison is not used to infer that the EU Inc. would causally double the probability of litigation. The international literature on preventive justice likewise points to limitations in the available comparative empirical evidence (Knieper, 2017).

4.4.2 Costs once litigation occurs

The economic costs of litigation can be divided into direct procedural costs and the wider economic consequences of the underlying legal error. The direct costs of court proceedings can be approximated using statutory fee schedules. Beyond this, company-law errors can affect ownership rights, subsequent resolutions, financing rounds or corporate transactions.

Direct procedural costs

The direct costs of company-law proceedings can already be substantial. Assuming an amount in dispute of EUR 500,000,⁷ court fees for fully contested first-instance civil proceedings amount to around EUR 12,400. Including the statutory lawyers' fees of both parties, the statutory cost risk in the event of a complete loss is around EUR 31,200 net.⁸ Actual legal fees may be higher where lawyers bill on an hourly basis.

The central systemic cost difference lies less in the statutory fees for an individual court case than in the frequency with which legal uncertainty turns into litigation. Additional legal costs may also arise where, for example, earlier share transfers, ownership rights or chains of title have to be reconstructed and assessed retrospectively.

Potential wider economic consequences

In addition to direct procedural costs, the economic consequences of an underlying legal error can be substantial. Company-law errors can affect ownership rights, subsequent resolutions or further transactions. If an error is discovered only years later, the resulting legal uncertainty may by then concern significantly larger economic values.

⁷The assumed amount in dispute of EUR 500,000 is an illustrative reference value and corresponds to the higher-value case used in the modelling for share transfers and capital increases. It also aligns with the reference case of a secondary share transfer worth EUR 500,000 used by the European Commission to estimate possible cost savings. The transaction value does not necessarily correspond to the amount later in dispute, but it provides a consistent indication of the order of magnitude of possible litigation costs.

⁸DIW Econ calculation based on the German Court Costs Act (GKG) and Lawyers' Remuneration Act (RVG). For an amount in dispute of EUR 500,000, court fees for first-instance civil proceedings are approximately EUR 12,400 (fee item 1210 GKG). If both lawyers charge the statutory RVG fees (fee items 3100, 3104 and 7002 RVG), a further approximately EUR 18,800 is added, producing a total statutory litigation cost risk of around EUR 31,200 net. In commercial-law proceedings, lawyers may also charge by time on the basis of a fee agreement (Section 3a RVG). Actual legal fees may therefore be higher. Where a party loses, reimbursement of the opposing party's legal fees is generally limited to the statutory remuneration (Section 91(2) ZPO).

Example 1: Invalid share transfer as company value increases

For GmbH shares, the current German framework links a share transfer to notarial authentication and subsequent disclosure in the commercial register. For an EU Inc., by contrast, mandatory notarial involvement in a share transfer is excluded. The company maintains its own digital share register and, within three working days, reviews whether the transfer requirements are met on the basis of the documents submitted. The transfer becomes effective upon registration (European Commission, 2026a).

If a legal error remains undetected at this stage, its economic significance may increase as the company develops. Consider, for example, a share transfer worth EUR 500,000. If several years later, at an exit or another transaction, it becomes disputed whether the seller at the time had authority to dispose of the shares or whether a requirement in the articles of association had been met, substantially higher share values may by then be affected by the unresolved legal position.

In addition to direct procedural costs, voting rights and distribution entitlements may remain unclear. A financing round or sale of the company may also be delayed if investors or buyers first require clarity about the ownership structure.

Example 2: Defective capital increase and effects on later financing rounds

A similar cascade effect can arise when new shares are issued. In the current German framework, a capital increase is accompanied by company-law and notarial review. This includes, in particular, a notarised capital-increase resolution and subscription declarations drawn up or certified by a notary. Under the EU Inc., Art. 67(6) of the draft Regulation excludes additional national formal requirements, including a notarial deed, for the subscription of new shares. Any required amendment to the articles of association must be distinguished from the subscription and remains subject to the rules on preventive legal review applicable to such amendments.

If a legal error in the issuance of new shares remains undetected, the consequences can extend beyond the original capital increase. In a later financing round, it may, for example, be unclear which ownership rights were validly created and on what ownership structure subsequent shareholder resolutions were based. Resolving the issue may require additional due diligence and legal advice, lead to additional warranties or other safeguards, and delay a further financing round or corporate transaction. The German Federal Chamber of Notaries likewise points out that errors in the issuance of new shares can have consequential effects on the company's subsequent ownership and decision-making structure (Bundesnotarkammer, 2026d).

5. Institutional Perspective: Register Reliability, Risks of Misuse and Fiscal Effects

Using the broader cost framework, the proposed 28th regime gives rise not only to company-level costs but also to institutional costs borne, for example, by register authorities, tax administrations, AML supervisors and law-enforcement bodies. The analysis therefore includes costs that arise outside the administrative step immediately under review or are shifted to other actors and later stages of the process. These wider costs arise through three main channels: register reliability (Section 5.1), the role of notarial safeguards in preventing money laundering (Section 5.2), and the resources that Member States would need to implement and operate the EU Inc. framework (Section 5.3).

5.1 Importance of register reliability

5.1.1 Economic value of high register reliability

From an economic perspective, a public register backed by upfront verification avoids repeated private fact-checking. If a public authority verifies information once when it is entered and the law allows market participants to rely on that information in good faith, each later counterparty does not need to repeat the same check. The cost is incurred once rather than again by every party to every subsequent transaction. Removing that upfront public scrutiny therefore does not create a one-off saving; it creates a recurring verification burden. Lower register reliability affects not only the individual company but also generates costs across the economy, regardless of who ultimately bears the consequences of an incorrect entry.

Without upfront public scrutiny, information asymmetries between the parties to a transaction increase. Before a contract is concluded, a buyer knows less about the seller's entitlement than the seller does. The buyer can obtain the information independently, which is costly, or proceed without doing so and demand a risk discount or other safeguards. Either way, costs arise that are avoided when reliable information is available from a verified public register. If confidence in the register itself is low, adverse selection may also arise: a company with a clean ownership history cannot credibly signal that fact through the register.

Looking at a typical company life cycle from an institutional perspective illustrates the financial value of reliable registers. In the current German framework, a fact verified once by a public authority can be reused throughout subsequent procedural steps. At the start of an illustrative company life cycle,

there is an initial verification effort. This includes proof of identity by passport or identity card, a notarial review of the legal validity of the incorporation documents, presentation of the incorporation deed and KYC evidence when opening the bank account, and transmission of the incorporation deed and registration application to the register. Once entered in the register, this effort is converted into a publicly accessible data set backed by a legal presumption of correctness. All subsequent steps draw on that data without repeating the underlying verification. Obtaining a tax number, entering into a lease, taking out business insurance, opening additional bank accounts, and acquiring equity interests or business property each require proof of the company's existence and powers of representation, which under the current German framework can be provided by a register extract available online free of charge. For ownership-related transactions, such as a Series A financing, a shareholder exit and a Series B round, the same function is performed by the list of shareholders, which is likewise available online free of charge. Across a typical life cycle, eight to ten verification events therefore rely on a single upfront verification effort.⁹ Because the EU Inc. does not provide reliably pre-verified data, each of these verification events would generate costs of its own. The advantage lies not only in direct expenditure but also in time, because the counterparty can retrieve the evidence immediately and verification does not have to be repeated for each transaction. A broader due diligence process generally arises only above a certain transaction size, whereas the smaller and more frequent transactions that shape the life cycle are fully covered by the register record.

5.1.2 Inconsistencies in the Commission's impact assessment

The Commission treats the same risk of misuse inconsistently at formation and share transfer, providing for controls only where it itself expressly justifies their necessity. The impact assessment directly justifies preventive legal review at formation on the grounds of preventing misuse, stating that it is "key (...) to the prevention of abusive or fraudulent letter-box companies linked to tax evasion and/or money laundering" (European Commission, 2026b). For share transfers, by contrast, preventive legal review is removed under Art. 59(5) of the draft Regulation without an equivalent review taking its place, even though the protected interests are identical and the transfer is precisely the transaction

⁹The count includes the steps in an illustrative life cycle that draw on register information after registration: issue of the tax number and the other registration processes, conclusion of the lease, conclusion of business insurance, opening additional bank accounts, the Series A financing, acquisition of equity interests and business property, a shareholder exit, and the Series B financing. This gives eight verification events in the base case. The upper bound of ten reflects the fact that several of these events typically recur during a company's life cycle, for example further insurance and banking relationships or a change of location involving a new lease. The figure should be understood as an order of magnitude for a company with two financing rounds, not as an exhaustive list.

through which control relationships change. This asymmetry can also be demonstrated independently of the text of the provision. Methodologically, the impact assessment generally excludes “Fraud, crime, terrorism” from the areas subject to in-depth impact analysis (European Commission, 2026d), and nowhere in its analysis of share transfers (PO7) does it treat misuse risks differently from formation (PO2/PO3). The interpretation is not overstated, since PO2b, rather than the option excluding notaries in PO2c, leaves notarial review at formation available as a Member State option. The Commission’s own consultation also shows majority scepticism towards the preferred option, with 44 per cent opposed and 38 per cent in favour of unrestricted transferability (European Commission, 2026c). Independently, the Bundesrat reaches the same assessment. It considers that the combination of reduced preventive legal review, the absence of in-person identity verification and full digitalisation creates additional risks of money laundering, tax evasion, sanctions evasion and abuse of complex ownership structures, making beneficial ownership harder to trace and impairing the work of tax administrations, law-enforcement bodies and supervisory authorities (Bundesrat, 2026b).

The same inconsistency applies not only to share transfers but also to the admission of new investors through a capital increase. Art. 67(6) of the draft Regulation excludes any additional formality for the subscription of new shares, “including a requirement for a notarial deed”. The identity of the new subscriber is “proven” solely by means of a qualified electronic signature or qualified electronic seal, or alternatively through a qualified eIDAS trust-service provider, without scrutiny by an administrative authority, court or notary.

5.1.3 Structural gaps in the proposed safeguards

The exception to the online-only rule in the draft Regulation (Art. 10(3)) is circular and ineffective in practice, because physical presence is required only where there are indications of identity fraud. Such indications cannot arise from electronic documents that appear formally correct. The Bundesrat itself therefore considers that the exceptions risk becoming ineffective “because their conditions are defined too narrowly” (Bundesrat, 2026b).

Incorrect or outdated information propagates through the register system both across institutions and over time. The proposed correction mechanism addresses this only partly. It propagates across institutions because the Once-Only Principle under Art. 20 of the draft Regulation automatically passes unchecked information to all subsequent registers, including the beneficial ownership register. It propagates over time because the Commission’s argument that the proposal is coherent with EU AML law addresses, at most, data accuracy at the point of initial registration and says nothing about updating the data after a share transfer that is not subject to public scrutiny (Art. 59(5) draft Regulation). The

Bundesrat independently reaches the same conclusion. It states that digital self-identification is not equivalent to verification by a public authority but is limited to an automated data match. Union-wide use of unchecked data creates a risk of transmitting incorrect information and reduces the reliability of national registers (Bundesrat, 2026a). A share register maintained by the company itself also increases legal uncertainty and due-diligence costs (Bundesrat, 2026b). The correction mechanism in Art. 59(10) may mitigate the consequences of incorrect entries, but it does not remove either the conflict of interest faced by the management body conducting the review or the loss of public register effects vis-à-vis third parties. As a concrete alternative, the Bundesrat recommends allowing Member States to provide for identity verification by a public body using remote communication. Otherwise, unchecked legal and factual determinations could enter subsequent administrative procedures through the Once-Only Principle (Bundesrat, 2026b).

5.1.4 Case study: United Kingdom and company hijacking

The UK register authority, Companies House, reflects the digital, register-based formation logic of the EU Inc. and, on the basis of the Economic Crime and Corporate Transparency Act 2023, systematically records the consequences of limited upfront checks. For the first full reporting year after the reform took effect, financial year 2024/25, the annual report records 106,300 companies with information challenged or removed. This corresponds to around 1.96 per cent of the 5.43 million companies on the register. In addition, there were 15,884 cases involving a hijacked or inappropriate address, of which 99.6 per cent had been removed, were in the process of removal or had been updated to a legitimate address, as well as more than 10,200 suspicious filings that were rejected. Operating expenditure rose by 64 per cent in the same financial year, from GBP 120.8 million to GBP 197.9 million. Of this increase, GBP 52.1 million alone related to investigation and enforcement activity under the Economic Crime and Corporate Transparency Act 2023 (Companies House, 2025). This annual additional expenditure by a single national register exceeds the EU-wide savings the Commission expects from the EU Inc., which at EUR 328 million to EUR 440 million over ten years corresponds to around EUR 33 million to EUR 44 million per year (European Commission, 2026c). The UK example underlines that reducing controls on company filings creates review, correction and enforcement costs for the register authority that substantially exceed the expected administrative savings of the reform.¹⁰ The draft Regulation creates precisely this configuration for share transfers, for which it provides no public scrutiny at all.

¹⁰The UK figures cannot be transferred directly to the EU Inc. They have been collected systematically only since the Economic Crime and Corporate Transparency Act 2023, there is no equivalent comparison base for Germany, and some of the cases are likely to reflect improved detection rather than additional misuse. The figures

5.1.5 Case study: Delaware and the shift from public to private verification

Because of its liberal company law, the US state of Delaware is a leading state of incorporation for US corporations (Transparency International, 2016). Nearly all publicly listed US companies are incorporated there, even though most US companies remain incorporated under the law of the state in which they are based. Delaware provides a useful point of reference for a company-law system in which share transfers are largely private and subject to little public ex ante review, features that resemble the approach taken by the EU Inc. proposal. Unlike the UK case study, Delaware has no systematic register statistics on contested or abusive entries. The assessment therefore draws on structural features of US company-register law, supplemented by an expert interview conducted by DIW Econ with US company-law practitioners.

In the United States, only the original filing of the certificate of incorporation has constitutive legal effect. Other filings, including information about share transfers, are informational only, do not provide robust protection for good-faith reliance and are not subject to substantive review by an official or notarial body. A counterparty dealing with a US company therefore cannot simply rely on register information and may need to verify it through its own due diligence, for example in a company acquisition or sale. Economically, this amounts to repeated private verification, precisely the duplication that a verified public register is designed to avoid. Removing upfront public scrutiny does not make the need for verification disappear; it moves that work from preventive justice to the parties to the transaction and, more broadly, to market participants.

A second finding concerns the prevention of money laundering. In the United States, AML supervision is institutionally separated entirely from state-level company registers and takes place exclusively at federal level. Share transfers, the transaction subject to the least control in the Delaware system, are therefore structurally outside any AML review embedded in company law, rather than merely being subject to a somewhat lower level of control. The same applies to so-called company hijacking, meaning the abusive takeover of a company facilitated by unclear ownership arrangements. Experts regard the phenomenon as plausible, but it cannot be quantified because there is no institutional link between the register and misuse supervision. No public reporting system comparable to that in the United Kingdom exists.

For the EU Inc., the Delaware example suggests that removing upfront public scrutiny from share transfers does not reduce verification costs. It shifts them from preventive justice to private transaction

therefore indicate the direction and order of magnitude of institutional costs, not their precise level for the EU Inc.

parties and market participants more broadly, while also removing the institutional basis for measuring their scale. These are costs that a broader cost framework should take into account.

5.2 Risks of misuse: notarial safeguards and money laundering

5.2.1 The notarial system as a detection and reporting channel

Notaries play a central role in combating money laundering (Bundesministerium der Finanzen & Bundesministerium der Justiz und für Verbraucherschutz, 2026). Notarial involvement brings together two reporting channels: the AML channel, comprising identification, sanctions-list checks and suspicious transaction reporting under the German Money Laundering Act, and the automatic tax reporting channel under Section 54 EStDV, which is independent of action by the parties and under which every notarised share transfer is currently reported to the tax administration without a separate request. At formation, both channels could continue to exist under the EU Inc., but this is by no means guaranteed. Whether preventive legal review under Art. 14 of the draft Regulation may take the form of notarial authentication is a matter for the respective national legislature. The draft Regulation is not clear on this point and therefore creates substantial uncertainty of interpretation. At least the Once-Only Principle under Art. 20 expressly includes tax registration. For share transfers, by contrast, both reporting channels disappear at the same time. Art. 59(5) of the draft Regulation prohibits Member States from making notarial authentication a condition for the validity of the transfer. Notarial involvement therefore falls away, and Section 54 EStDV no longer applies because there is no notarial act. Under Art. 59(7) and (8), the company itself reviews the validity of the share transfer. In addition, the draft Regulation provides no public record comparable to the German list of shareholders. Art. 25(1) exhaustively lists the information publicly accessible in the company register and includes shareholders only for single-member companies. The digital share register under Art. 54 is accessible only to shareholders and third parties with a legitimate interest. The tax administration therefore loses not only the automatic notification, but also the ability to obtain the ownership structure readily from a public register. The figures from Germany's Financial Intelligence Unit illustrate the practical importance of this combined detection channel. In 2025, the notarial profession submitted 6,612 of the 9,006 suspicious transaction reports from the entire non-financial sector, around 73 per cent of the total (Financial Intelligence Unit Deutschland, 2026). Between 2021 and 2025, annual reports from notaries ranged from 6,471 to 7,739, compared with 8,187 to 10,464 for the non-financial sector as a whole. The notarial share remained between 70 and 79 per cent throughout the period (Financial Intelligence Unit Deutschland, 2024, 2026). With 6,205 practising notaries, notaries are by far the largest source of

suspicious transaction reports in the non-financial sector. The lower number in 2025 reflects a regulatory change to the reporting rules for real-estate transactions and does not alter the structural importance of the notarial reporting channel, which must be taken into account under the broader cost framework.¹¹ The Bundesrat itself confirms that the two risks arise at the same point. Without notarial involvement, there would be “a higher risk of money laundering and sanctions evasion, as notaries identify the persons acting and the beneficial owners in share transfers, check sanctions lists and submit suspicious transaction reports”. Without the notarial notification, “the risk of tax evasion increases, as shares could be transferred without the tax administration becoming aware of the transaction” (Bundesrat, 2026b). Independently, the federal sector-specific risk analysis on combating money laundering and terrorist financing describes German company law as providing a robust framework whose central pillar is notarial involvement. It identifies a high money-laundering risk where company shares can be transferred rapidly without notarial involvement and without verification of the identity of the persons behind the transaction (Bundesministerium der Finanzen & Bundesministerium der Justiz und für Verbraucherschutz, 2026).

5.2.2 Detected cases and undetected money laundering

The proportion of cases actually prevented or detected through notarial checks cannot be quantified directly. What can be demonstrated is the scale of the problem in which these checks operate. A 2015 study commissioned by the Federal Ministry of Finance found only around 250 suspicious cases reported per year across the non-financial sector, while estimating that at least 15,000 to 28,000 reportable cases went unreported each year.¹² In financial terms, the study estimated EUR 20 billion to EUR 30 billion in money laundering in the non-financial sector alone and probably more than EUR 100 billion per year for Germany as a whole (Bussmann, 2015). More recent evidence at EU level confirms that the imbalance between known and actual cases remains structural. Europol estimates that only around

¹¹The overwhelming majority of these reports relate to real estate and therefore not to share transfers. No breakdown of notarial reports by type of transaction is available. The figures therefore demonstrate the effectiveness of the notarial reporting channel as such. This attribution issue does not arise for the tax reporting channel in any event. Notification under Section 54 EStDV is not dependent on suspicion but covers every notarised share transfer, so its removal has an effect regardless of the share of transactions generating suspicious transaction reports.

¹²The figure of around 250 reports describes the situation at the time of the 2015 study and therefore the legal framework before the expansion of AML obligations in the non-financial sector (Bussmann, 2015). It does not contradict the figures cited in the preceding section but marks their starting point. Reporting by the non-financial sector as a whole has since risen to 9,006 reports in 2025, more than thirty times the earlier level. Because the reporting requirements under the Money Laundering Act have been expanded repeatedly in the meantime, the two figures are only partly comparable.

1 per cent of the total annual criminal proceeds are actually confiscated across the EU (Europol, 2017). For Germany, the Federal Criminal Police Office's 2024 National Situation Report on Organised Crime provides the most recent known reference point. Across 146 proceedings, it recorded 189 money-laundering acts with a financial volume of EUR 230.5 million (Bundeskriminalamt, 2026), less than one per cent of the estimated total of more than EUR 100 billion (Bussmann, 2015). Known cases therefore represent only the visible part of a much larger volume of undetected activity. Given the importance of the notarial reporting channel, removing it for share transfers can be expected to move a meaningful share of cases from detected to undetected activity and, by lowering the level of scrutiny, increase incentives for money laundering. The volume of undetected activity would rise, the probability of detection would fall and the deterrent effect of the checks would weaken.

5.2.3 Cost of notarial checks relative to the scale of money laundering

Whether notarial checks in share transfers are economically worthwhile can be assessed using a rough cost-benefit comparison between their cost and the volume of money laundering detected.

AML checks in share transfers are directly intertwined with the notarial transaction and therefore cannot be isolated precisely. The analysis therefore uses two independent proxies: first, the statutory fee received by the notary for the transaction as a whole; and second, the cost of a stand-alone AML check.

The German Federal Chamber of Notaries' survey of transaction values for share transfers covers 18,785 share-transfer agreements handled by 686 of the 6,205 notaries and assigns them to seven surveyed transaction-value bands together with the corresponding authentication fee (Bundesnotarkammer, 2026b). Some 44.9 per cent of transfers have a transaction value of no more than EUR 12,500, with authentication fees of up to EUR 166; 69.5 per cent are no more than EUR 25,000, with fees of up to EUR 230; and 84.5 per cent are no more than EUR 100,000, with fees of up to EUR 546. Only 4.0 per cent exceed a transaction value of EUR 1 million. Weighted by the share of transactions, this yields an average authentication fee of EUR 473 to EUR 1,616 per transfer.¹³

¹³Calculated as the transaction-share-weighted mean of the 2.0 fee under Table B of the German Court and Notary Costs Act. The lower bound values each band at its lower limit, with the lowest band using the statutory minimum fee of EUR 30 and the highest band EUR 23,070. The upper bound values each band at its upper limit, with the highest band using the maximum fee of EUR 53,170 at the maximum transaction value of EUR 60 million. Execution and supervision fees, expenses and VAT are not included. The actual invoice amount is therefore correspondingly higher.

The average cost of a stand-alone AML review in the German banking market is estimated at EUR 2,627 (Frick, 2026).¹⁴ Applied to the roughly 800,000 checks that notaries perform each year in formations, share transfers and real-estate transactions, this corresponds to around EUR 2.1 billion (Frick, 2026). Only around one fifth of these checks relate to share transfers. At roughly 170,000 of 800,000 checks, this implies an order of magnitude of around EUR 450 million per year.¹⁵ The upper bound of the fee-based approach, EUR 275 million per year, and the pro-rata review-cost approach, EUR 450 million per year, differ by less than a factor of two even though they rely on independent data sources.

This must be compared with the detected money-laundering volume. The 2024 National Situation Report on Organised Crime records a financial volume of EUR 230.5 million across 146 proceedings (Bundeskriminalamt, 2026), an average of around EUR 1.6 million per proceeding. A single detected case of this magnitude therefore corresponds to the total fee cost of roughly 600 to 3,330 share transfers.¹⁶ Conversely, the total annual fee cost would already be fully offset by around 50 to 280 such cases.¹⁷ Moreover, the EU-wide savings of EUR 328 million to EUR 440 million over ten years that the Commission attributes to the 28th regime would be offset by the identification of only a small number of additional money-laundering cases through notarial checks (European Commission, 2026b).¹⁸ On this calculation, the potential economy-wide harm from removing the safeguard would substantially exceed the projected savings attributed to the EU Inc.

The estimated cost of notarial checks is small relative to the scale of money laundering (see Figure 5-1). The relevant comparator is not the detected volume alone, but the sum of detected and undetected activity. Estimates put this total for Germany at around EUR 138 billion (Bussmann, 2015; Unger et al., 2013). Conservative approximations based on Europol data on confiscations and money-laundering activity point to a similar order of magnitude (Europol, 2017).

¹⁴The know-your-business review is a stand-alone process. It cannot be transferred directly to notarial practice, where the review partly overlaps with the authentication activity, and is used only as a reference value.

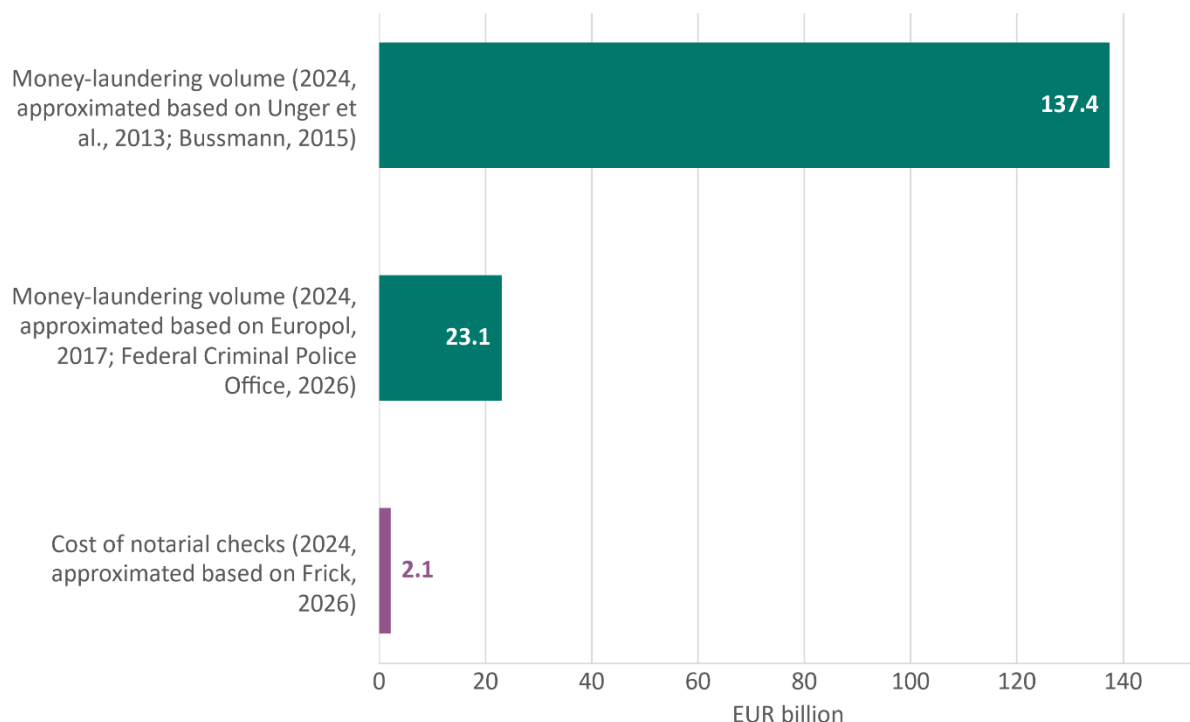
¹⁵The figure for share transfers is based on the extrapolation from the German Federal Chamber of Notaries' survey of transaction values for share transfers (Bundesnotarkammer, 2026b).

¹⁶The figures correspond to the estimated cost of a single share transfer. At a cost of EUR 473, one detected money-laundering case is equivalent to the fees associated with approximately 3,330 share transfers. At a cost of EUR 2,627, it finances approximately 600 share transfers.

¹⁷The figures correspond to the estimated total cost of share transfers. If total costs are around EUR 80 million, they are offset by 51 detected money-laundering cases. At total costs of approximately EUR 450 million, the break-even threshold is around 280 cases.

¹⁸For this approximation, it is assumed that around one quarter of the savings accrue to Germany. On that basis, detecting five to seven additional money-laundering cases would statistically be sufficient to offset the administrative savings projected by the European Commission.

Figure 5-1: Comparison of notarial check costs and money-laundering volume



Notes: The figures may be subject to systematic underestimation and measurement error and should be understood as approximate. The literature estimates total money-laundering activity in the mid-2010s at around EUR 100 billion per year (Bussmann, 2015; Unger et al., 2013). Adjusted for price developments, this corresponds to around EUR 137.4 billion per year in 2024 prices. Assuming that law-enforcement authorities confiscate 1 per cent of all illegally generated profits (Europol, 2017), the total volume of money-laundering activity in 2024, given a detected volume of approximately EUR 230 million (Bundeskriminalamt, 2026), is at least EUR 23 billion. This extrapolation is a very conservative estimate and should be regarded as a lower bound. Europol assumes that scarcely 1 per cent of criminal proceeds in the European Union are seized by the competent authorities.

Source: DIW Econ estimate, based on (Bundeskriminalamt, 2026; Bussmann, 2015; Europol, 2015, 2016, 2017; Frick, 2026; Unger et al., 2013).

Measured against these benchmarks, the annual fee cost is small. Because only a fraction of cases is detected, additional checks can prevent losses that are large relative to the cost of those checks. Implementing the current draft Regulation would reduce the level of scrutiny when the full detected and undetected volume of money laundering is considered. This is likely to make prevention more difficult and increase undetected activity. Given the scale of the estimated money-laundering market relative to the cost of notarial checks, the economic cost of weakening those checks could be substantial.

5.3 Fiscal effects: implementation and judicial costs

In addition to the economy-wide costs of inaccurate register data, Member States incur costs for building and operating the infrastructure required by the EU Inc. The impact assessment estimates around EUR 100,000 per Member State for software to receive registration data from the central EU interface

via BRIS, plus around EUR 50,000 per Member State to connect the bodies responsible for preventive legal review and EUR 1 million for further development of BRIS at Commission level. It classifies all other IT costs as marginal on the grounds that data exchange can use standard application programming interfaces (European Commission, 2026b). The Commission therefore estimates one-off costs of roughly EUR 5 million for establishing an EU-wide interconnection of company registers.

The Commission's estimate appears implausibly low. It is less than one tenth of the additional amount that Companies House spent on investigation and enforcement in financial year 2024/25 alone, GBP 52.1 million, or around EUR 60 million (Companies House, 2025). Moreover, the impact assessment covers only one-off technical implementation. The Bundesrat reaches the same conclusion for Germany (Bundesrat, 2026b). It considers implementation of the technical aspects within one year to be wholly unrealistic, points to substantial outstanding implementation deficits in components of BRIS that are already mandatory, and calls for an implementation period of at least 30 months (point 68). It expressly questions the added value of the central EU interface. Although the interface is to connect to national company registers via BRIS, it would otherwise operate outside national and federal IT architectures, creating additional work for national administrations "that ties up already scarce resources" (point 52). Overall, it describes the technical, organisational and staffing requirements for commercial register courts, tax administrations and the bodies responsible for identity verification, data transmission and supervision as substantial (point 67).

The initial implementation costs are accompanied by an ongoing burden on public budgets. The accelerated procedure under Art. 16(2) of the draft Regulation is to be offered for fees that do not cover the costs of preventive legal review and registration. In point 38 of its decision of 10 July 2026, the Bundesrat considers this to amount to a de facto subsidy for the EU Inc. compared with companies incorporated under Member State law, questions its compatibility with the spirit of EU state-aid law and general principles of equal treatment, and notes that it creates an incentive "to reduce the costs of the required preventive controls by carrying them out less carefully". It calls for Member States to be allowed to charge fees that allow full cost recovery (Bundesrat, 2026b). German data illustrate how far the EUR 100 cap in Art. 16(2) falls short of full cost recovery. The cost recovery rate of the commercial register courts was 78 per cent in 2019 and only 73 per cent in 2021. Because personnel and operating costs have since risen, the Federal Ministry of Justice and Consumer Protection now assumes a value below two thirds and is therefore increasing registration fees across the board by 50 per cent (Bundesministerium der Justiz und für Verbraucherschutz, 2026). The draft Regulation caps the fee for a procedure that is supposed to perform preventive legal review in less time at one third of that amount. The fee may also need to be shared between commercial register courts and notaries. The conclusion that the difference would have to be borne by the budgets of the German Länder is

therefore not speculative, but a continuation of an officially documented funding gap. From an institutional perspective, a widening gap between the actual costs of the required review and the capped fee strengthens the incentive for the state to reduce the level of scrutiny.

A third category of cost arises in the courts. The draft Regulation shifts clarification of legal questions from the period before the relevant transaction is completed to the stage at which a dispute arises. The share register maintained by the company itself has constitutive effect, but is neither publicly accessible nor subject to public scrutiny. The correction mechanism in Art. 59(10) leaves disputes about incorrect entries to the parties. In point 41, the Bundesrat considers self-registration of shares unsuitable for ensuring quality, transparency, legal certainty and protection of market participants, and identifies both far-reaching risks of manipulation and substantial liability risks (Bundesrat, 2026b). In addition, insufficient court capacity creates a risk of infringement proceedings. The impact assessment does not address this cost category. The Bundesrat also considers that the rigid 48-hour registration deadline for formation would require judicial or notarial on-call services at weekends, creating additional costs; see point 16 of its opinion of 8 May 2026 (Bundesrat, 2026a).

6. Procedural Perspective: Time to Operational Readiness

For certain formation procedures, the draft Regulation provides for registration of an EU Inc. within 48 hours. Registration time, however, is only one part of the formation process that matters economically (Section 6.1). Under the broader cost framework used here, formation of an EU Inc. should therefore be viewed as a multi-stage process that ends when the company can actually conduct business. Section 6.2 compares the time required under the two systems.

6.1 Illustrative incorporation process and key steps

Formation of a GmbH in Germany takes place through several individual steps.¹⁹ In the common case of a cash formation, notarial authentication of the articles of association is followed by opening a business bank account for the GmbH in formation, through which the required share-capital contribution can be paid. As part of its mandatory KYC procedures, the bank carries out additional identity and AML checks. Once the capital has been contributed, the company can be filed for registration in the

¹⁹The schematic course of a GmbH formation is used below as the reference case; see Gräfin Wolffskeel von Reichenberg (2026).

commercial register. The registration application can already be notarially certified in connection with the formation appointment, but is submitted to the commercial register court only after the capital has been properly paid in. The GmbH is formally formed upon entry in the commercial register. From an economic perspective, however, registration does not necessarily complete the formation process. Following entry in the commercial register, the company is entered in the Transparency Register, tax notifications are submitted and a tax number is issued.²⁰ Further steps may also be required, such as trade registration, applying for an establishment number, notifying the local chamber of industry and commerce and applying for specific permits.

For a company, the relevant question is not simply when it is formally registered, but when it can actually begin operating. In particular, it must be able to issue compliant invoices and make and receive business payments. Registration is therefore necessary but not sufficient for operational readiness. In this section, a company is considered operationally ready once it can issue invoices correctly and make and receive business payments.

For comparison, the steps that determine operational readiness are grouped into three stages: company formation and registration, access to an operational business account, and tax registration and invoicing readiness. The first stage runs from establishment of the company to registration. The second covers opening the business account, including the necessary KYC checks,²¹ and ends when the account can be used for ordinary business payments. The third covers tax registration until a tax number or VAT identification number is available for compliant invoicing. The three stages need not occur sequentially and may overlap in time.

The key question is which stage forms the bottleneck in the overall formation process. The EU Inc. focuses in particular on accelerating registration. Faster registration shortens the overall process only if opening the business account or completing tax registration does not take longer and therefore determine when the company becomes operationally ready.

²⁰This is followed by notification of the statutory accident insurance body, application for an establishment number, the necessary regulatory notifications and any application for a permit.

²¹Know-your-customer (KYC) checks are used to prevent money laundering.

6.2 Time to operational readiness under the two systems

The 48-hour registration promise is a central feature of the EU Inc. proposal. The following sections assess the three stages that matter for operational readiness separately and compare the time required under the EU Inc. with the current German framework.

6.2.1 Company formation and registration

Survey data provide some insight into how quickly registration can be completed under the current German framework. Notarial authentication is required before registration, and around three quarters of notarial offices can complete the authentication within three working days, although only where there is an expressly stated urgency and the client has fully prepared the necessary documents. Registration subsequently takes eleven or more working days for around 30 per cent of entries. Around three in five registrations take at least six working days, and only just under 2 per cent of company formations are registered within 24 hours (Bundesnotarkammer, 2026c).

Under the current draft Regulation, registration of an EU Inc. is to be completed digitally within 48 hours, depending on the procedure used. The accelerated preventive legal review and registration under Art. 16(2) applies where the EU model articles are used. Without the EU model, the deadline is five working days (Art. 17(2) draft Regulation). Where the company is formed directly through the national register, Art. 18(2) refers to the deadlines in Arts 16 and 17. Depending on national implementation, the preventive legal review may be carried out by an administrative authority, a court or a notary and is included in the 48-hour deadline under the accelerated procedure.

The European Commission presents digital formation within 48 hours as one of the central characteristics of the EU Inc. Companies can, however, already be formed digitally in Germany. For example, cash formations of a GmbH have been possible since August 2022 through the notarial online procedure using video communication. Commercial-register applications can likewise be certified online. The Federal Government expanded the scope of these procedures further in August 2023 (Bundesregierung, 2024). Notarial formations can therefore already be carried out entirely digitally, and registration documents have been transmitted electronically to the commercial register courts in structured data formats since 2007 (Bundesnotarkammer, 2026a).

Digitalisation of the formation and registration procedure itself is therefore not a unique feature of the EU Inc. The main differences are the EU-wide statutory deadline, the standardised procedural design and the planned central interface. It is not yet possible to assess empirically whether the acceleration prescribed by law will also result in correspondingly short registration times in practice. The

weekend and on-call service requirements identified by the Bundesrat, together with potential capacity constraints, show that the 48-hour deadline cannot simply be equated with an actual completion time of 48 hours (Bundesrat, 2026a). The Bundesrat also points out that the complexity of the formation process arises “not primarily from entry in the company register” but from the further interactions with public administration, ranging from tax registration to obtaining an establishment number (Bundesrat, 2026b). This supports the findings of the Federal Ministry of Justice’s practical review, which identifies downstream administrative steps as the bottleneck delaying the process (Bundesministerium der Justiz und für Verbraucherschutz, 2024). Company-law formation and registration in the current German framework are therefore not the main source of delay (Gräfin Wolffskeel von Reichenberg, 2026).

6.2.2 Access to an operational business account

In the current German framework, the process of opening an operational business account usually begins before registration. Following notarial authentication, a business account is opened for the company in a typical cash formation and the required share-capital contribution is paid in. The capital contribution therefore precedes and is linked to registration (Sections 7 and 8 GmbHG). For operational readiness, the relevant point is when the account can actually be used for ordinary business payments. No robust data are available on the average time required for a business account to become operational. Qualitative evidence nevertheless indicates that this stage can be an important source of delay. In the Federal Ministry of Justice’s practical review, entrepreneurs reported that opening a business account took too long, in part because of KYC checks. One proposed solution was to integrate banks into a one-stop shop for GmbH formations, allowing them, for example, to reuse checks already carried out by notaries for AML purposes (Bundesministerium der Justiz und für Verbraucherschutz, 2024). The same practical review identifies banks’ AML checks as a particular source of delay at this stage (Bundesministerium der Justiz und für Verbraucherschutz, 2024).

For the EU Inc., the relationship between account opening, capital contribution and registration changes. Art. 62 of the draft Regulation does not require minimum capital. Registration can therefore be decoupled from opening a bank account for the purpose of paying in share capital. A delay in opening the account need not delay registration in the same way as for a conventional cash formation of a GmbH. For operational readiness, however, this distinction is crucial. A company that is registered but cannot yet use a business account still cannot make and receive ordinary business payments. The EU Inc. may therefore shorten the formal registration process without shortening the time needed to obtain an operational business account.

6.2.3 Tax registration and invoicing readiness

The third stage is tax registration and invoicing readiness. Under Section 14(4) UStG, an invoice must generally include either the tax number issued by the tax office or the VAT identification number issued by the Federal Central Tax Office. Delays in tax registration can therefore prevent a company from invoicing correctly even if it has already been entered in the commercial register and has an operational bank account.

Some empirical information on processing times is available for Germany. For the four Berlin tax offices responsible for corporations, the average processing time for issuing a tax number in April 2022, measured from the point at which all necessary documents had been submitted in full, was 38 days (Senatsverwaltung für Finanzen Berlin, 2022). This illustrates that tax registration can take substantially longer than formal company registration. The Federal Ministry of Justice's practical review likewise identifies waiting for a tax number as a relevant problem. In individual cases, waiting times can be as long as six months (Bundesministerium der Justiz und für Verbraucherschutz, 2024).

For the EU Inc., the draft Regulation changes the administrative sequence. The information required for a tax number and VAT identification number is to be collected in the harmonised formation application (Art. 13(3) draft Regulation). After registration, the company register is to transmit these data digitally and directly to the competent tax authorities, so a separate application should generally no longer be necessary (Art. 20 draft Regulation). Automatic transmission, however, does not set a deadline for the tax authority to issue the tax number. Whether an EU Inc. can invoice earlier therefore still depends on the processing time of the tax authority. The Commission's estimated savings from the Once-Only Principle should consequently be understood as administrative savings from avoiding duplicate data entry, not as evidence that the tax-registration bottleneck disappears.

7. Overall Economic Assessment

This assessment has examined the expected costs of the proposed 28th regime using Germany as a case study and applying a broader cost framework. It considers three perspectives: private transaction costs for company formation, share transfers, capital increases and financing rounds; effects on register reliability, the prevention of misuse and public implementation costs; and the time required for a company to become operationally ready. The assessment draws on available information about the current German framework and on selected comparators that share relevant features with the proposed EU Inc.

The overall conclusion is that, in its current form, the draft Regulation does not achieve its stated objectives in a cost-effective manner. It promises lower transaction costs, faster company formation and a uniform, fully digital framework. Across these objectives, the analysis finds either that the claimed benefit is not demonstrated or that it comes with costs that are not adequately captured by the draft Regulation or the Commission's impact assessment.

The relevant benchmark is not whether an individual fee disappears, but whether the function for which it is charged is no longer needed. The draft Regulation does not remove the need for verification and safeguarding; it relocates it. Over time, work that is currently carried out before or during a transaction moves to later stages. Institutionally, work shifts from preventive justice to companies, private advisers and public authorities. That redistribution does not in itself reduce economy-wide costs.

At company level, the transaction-cost analysis finds no convincing cost advantage for the EU Inc. The promise of particularly inexpensive formation is too narrow because digitalisation, standardised template-based formations and online procedures are already available under the current German framework. The underlying need for substantive legal review and advice remains even in template-based formations, and is greater still in more complex formations and, in particular, in share transfers, capital increases and financing rounds. Removing notarial involvement does not remove those functions. It shifts them in particular to external legal advisers, private due diligence and companies themselves. Once these ex ante and ex post costs are taken into account, the EU Inc. shows no convincing cost advantage for any of the transaction types examined.

These cost shifts can recur throughout the company life cycle. If evidence of a company's existence, powers of representation or ownership structure is less reliable, additional checks may be required repeatedly in later financing rounds, share transfers and ordinary business operations, for example when opening bank accounts, entering into leases, insurance or supply contracts, or carrying out major asset transactions. The quantitative life-cycle analysis does not include these recurring verification costs. Potential litigation costs and wider economic consequences are also excluded from the central cost comparisons. At the same time, comparisons with systems that rely less on preventive legal review point to higher litigation intensity.²² Overall, the company-level analysis therefore identifies no

²²The EU Inc. is a legal form that does not yet exist, so there are no directly observable data on its probability of litigation. The comparison between Germany and the United Kingdom is therefore used to indicate possible orders of magnitude. Differences in substantive law, company structure, statistical recording and litigation culture may also contribute to the observed difference. In particular, the comparison is not used to infer that the EU Inc. would causally double the probability of litigation.

economy-wide cost advantage for the EU Inc. Instead, costs shift from bundled and predictable ex ante services towards private, recurring and less predictable expenditure.

At institutional level, the draft affects costs through three main channels. First, it weakens register reliability. A verified public register avoids repeated private fact-checking because information that has been checked once by a public authority can be relied on in later transactions. The draft limits this upfront review for formations and amendments to the articles and removes it entirely for share transfers, where the review is shifted to the company itself. This is likely to increase private verification costs over the company life cycle. Second, the draft weakens mechanisms that help detect misuse. Under the current German framework, share transfers combine AML identification, sanctions-list checks and suspicious transaction reporting with automatic notification to the tax administration. The proposal removes these channels. In 2025, notaries accounted for around 73 per cent of all suspicious transaction reports from the non-financial sector. Removing the reporting channel therefore reduces the probability that relevant cases become known and weakens the deterrent effect of scrutiny. Third, the proposal creates costs for public budgets. The required infrastructure, the fee cap for the accelerated procedure and the shift of disputes over ownership structures into litigation place additional burdens on commercial register courts, tax administrations and the judiciary that are not adequately reflected in the impact assessment. A fee cap below the cost of the required review may also create pressure to reduce the level of scrutiny.

From a procedural perspective, the draft focuses primarily on a step that does not by itself determine when a company becomes operationally ready. The main bottlenecks remain opening a business account and completing tax registration. Banks' identity and AML checks do not disappear under the EU Inc. and may require additional work if banks cannot rely on verified register information about identity, representation or ownership. Removing the minimum capital requirement decouples registration from the prior payment of capital, but it does not accelerate account opening itself. For tax registration, the draft provides for automatic data transmission without setting a deadline for issuing the tax number. A substantial overall speed advantage therefore cannot be inferred from the 48-hour registration deadline alone.

These findings concern not only individual provisions but also the economic rationale for the proposal as a whole. The Commission's impact assessment uses too narrow a cost framework and has several important weaknesses. First, it treats comparable risks of misuse inconsistently. At formation, preventive legal review is expressly justified as a safeguard against misuse; for share transfers, the proposal removes that review without an equivalent replacement, even though share transfers are precisely where control over a company can change. The Commission's own consultation also showed majority

scepticism towards the preferred option. Second, the estimated implementation costs appear implausibly low when compared with the additional annual expenditure incurred by a single national register authority. Third, major cost categories are omitted, including additional burdens on commercial register courts and tax administrations, the permanent funding gap created by capped fees, and judicial costs arising when legal clarification is shifted into litigation. An impact assessment that excludes important effects, treats comparable risks differently and omits material costs provides an incomplete basis for the regulatory choices built upon it.

The comparison of magnitudes puts the projected savings in perspective. The European Commission expects EU-wide savings of EUR 328 million to EUR 440 million over ten years. By comparison, the additional amount spent by a single national register authority on investigation and enforcement in one financial year is greater than the corresponding annualised EU-wide saving. The projected administrative savings would also be offset by detecting only a small number of additional money-laundering cases through notarial checks.

The proposal pursues a legitimate economic objective, and many of its intended simplifications could be achieved without giving up the safeguards that underpin reliable public registers. At EU level, Member States could, for example, retain the option of public ex ante legal review for share transfers and subscriptions, while shareholder identity could be verified by a public body using remote communication. The fee cap could also be set at a level that allows the required review to be carried out on a cost-recovery basis. At national level, effective measures would include a binding deadline for issuing tax numbers, faster activation of business accounts through recognition of identity checks already performed by notaries, and mandatory interfaces between the commercial register, the Transparency Register and the Basic Company Data Register.

In its current form, the draft Regulation therefore does not make a convincing economic case. The projected savings either appear unrealistic or are achieved by shifting costs to other parties (see Table 7-1).

Table 7-1: Overview of expected costs of the proposed Regulation on the 28th regime using a broader cost framework

Perspective	EU Inc. under the draft Regulation and Impact Assessment	Assessment using the broader cost framework
Company-level perspective		
Formation	EUR 100 cap and registration within 48 hours under the accelerated procedure.	Digital incorporation, template-based formation and online procedures are already

		available under the current German framework. The Commission's benchmark overstates the saving relative to the current German framework. More complex formations do not benefit from the EUR 100 cap.
Share transfer	Elimination of authentication and execution fees, which the Commission estimates would generate four-figure savings for each transaction above EUR 500,000.	The need for review and advice does not disappear but is shifted to external legal advice and private due diligence.
Capital measures and financing rounds	Fully digital issue of new shares without additional formal requirements for share subscription; expected savings in time and transaction costs.	The need for legal review, structuring and advice remains and is borne more heavily by private parties. Earlier capital increases may generate renewed review and verification costs in later financing rounds.
Litigation and downstream costs	Not reported.	Higher litigation risk with potentially substantial procedural costs and wider economic consequences.
Institutional perspective		
Register reliability	Uniform digital register with data collected only once.	Without upfront verification by a public authority, market participants cannot rely on the register to the same extent and must repeat checks themselves. Register reliability can

		therefore be expected to decline.
Risks of misuse	No separate benefit identified; misuse risks are excluded from in-depth assessment.	The AML and tax reporting channels disappear at the same time, reducing both detection and deterrence. The resulting economic costs may be substantial.
Fiscal effects	One-off technical implementation costs in the single-digit millions of euros across the EU. Economy-wide administrative savings of up to EUR 440 million over ten years.	Operating costs and capacity requirements are not included. The estimate is less than one tenth of the additional annual expenditure of a single national register authority, while the fee cap is well below the level needed for full cost recovery. Disputes over ownership structures are shifted into litigation, creating an ongoing burden on public budgets.
Procedural perspective		
Company formation and registration	Binding registration deadline of 48 hours when EU model articles are used and five working days under the standard procedure.	The current German framework is already digital. A saving of a few working days affects only one stage of the process and does not determine the time required to reach operational readiness.
Access to an operational business account	Decoupling from account opening through the absence of a minimum capital requirement.	Banks' identity and AML checks remain unchanged, so this stage is not shortened.

Tax registration and invoicing readiness	Automatic transmission of tax data without a separate application.	There is no processing deadline for issuing the tax number. A bottleneck of several weeks can therefore remain.
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Source: DIW Econ, based among other sources on the proposed Regulation and the European Commission's impact assessments (European Commission, 2026b, 2026c, 2026d).

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8. Annex

8.1 Assumptions for the company-level comparison

Table 8-1: Ex ante cost comparison for formation

Cost item	Current German framework	EU Inc.
Notary and registration application	Base case: single-member UG using model protocol	Base case: EU Inc. fast-track using EU model articles
	Fixed-cost assumption: EUR 125 net for notarial involvement including typical flat-rate expenses: EUR 60 for the authentication procedure, EUR 30 for the commercial-register application, EUR 15 for electronic completion/XML structured data, and around EUR 20 in postal and telecommunications flat rates. Variable document and other expenses are not included.	Fixed-cost assumption: Maximum of EUR 100 for registration and preventive legal review.
	Hours assumption: No separate hours assumption.	Hours assumption: No separate hours assumption.
	Bespoke case: multi-member GmbH with EUR 25,000 share capital	Bespoke case: EU Inc. with bespoke articles of association
Court registration fees	Fixed-cost assumption: EUR 630 in notarial fees including appointment of the managing director. The figure is included for orientation only and does not enter the reference case.	Fixed-cost assumption: No harmonised cost cap. The Impact Assessment uses EUR 250 in registration costs as a reference and, in Member States with notarial involvement, a further approximately EUR 750 for notarial services (European Commission, 2026b).
	Hours assumption: No separate hours assumption.	Hours assumption: No separate hours assumption.
	Base case: single-member UG using model protocol	Base case: EU Inc. fast-track using EU model articles
	Fixed-cost assumption: EUR 300 in register fees: EUR 225 for initial registration under No. 2100 HRegGebV and EUR 75 for register data under No. 6000 HRegGebV.	Fixed-cost assumption: No separate register costs stated. They are included in the maximum EUR 100 cap for preventive legal review and registration.
Court registration fees	Hours assumption: No separate hours assumption.	Hours assumption: No separate hours assumption.
	Bespoke case: multi-member GmbH with EUR 25,000 share capital	Bespoke case: EU Inc. with bespoke articles of association

	Fixed-cost assumption: EUR 300 in register fees. The number of shareholders does not change the fee for a cash formation.	Fixed-cost assumption: No separate register costs stated. Register costs and any preventive-scrutiny costs are already included in the Impact Assessment reference values stated above.
	Hours assumption: No separate hours assumption.	Hours assumption: No separate hours assumption.
Individual legal advice	Base case: single-member UG using model protocol	Base case: EU Inc. fast-track using EU model articles
	Hours assumption: 0 hours of additional external legal advice.	Hours assumption: 0 to 2 hours of external legal advice at a standard fee of EUR 250 to EUR 450 per hour (Horak Rechtsanwälte, n.d.).
	Bespoke case: multi-member GmbH	Bespoke case: EU Inc. with bespoke articles of association
	Hours assumption: 0 hours of additional external legal advice.	Hours assumption: 3 to 8 hours of external legal advice at a standard fee of EUR 250 to EUR 450 per hour (Horak Rechtsanwälte, n.d.).

Source: DIW Econ based on the sources cited.

Table 8-2: Ex post cost comparison for formation

Ex post cost item	Current German framework	EU Inc.
Recurring verification and review costs in subsequent business transactions	Base case: single-member UG using model protocol	Base case: EU Inc. fast-track using EU model articles
	Hours assumption: 0 hours of additional external legal advice for simple evidence requirements.	Hours assumption: 1 to 3 hours of external company-law review at a standard fee of EUR 250 to EUR 450 per hour (Horak Rechtsanwälte, n.d.).
	Bespoke case: multi-member GmbH	Bespoke case: EU Inc. with bespoke articles of association
	Hours assumption: 0 hours of additional external legal advice.	Hours assumption: 2 to 5 hours of external company-law review at a standard fee of EUR 250 to EUR 450 per hour (Horak Rechtsanwälte, n.d.).

Source: DIW Econ based on the sources cited.

Table 8-3: Ex ante cost items for share transfers

Cost item	Current German framework	EU Inc.
Notarial authentication	Base case (EUR 25,000) Fixed-cost assumption: EUR 299 for authentication and notarial completion. This comprises EUR 230 for the authentication fee, EUR 57.50 for the execution fee for the list of shareholders (No. 22113 GNotKG), and EUR 11.50 for electronic completion using XML structured data (No. 22115 GNotKG). Hours assumption: No separate hours assumption.	Base case (EUR 25,000) Fixed-cost assumption: EUR 0 in statutory authentication costs. Hours assumption: 0 to 1.5 hours of internal processing at an assumed standard cost rate of EUR 40 per hour.
	Higher-value transaction (EUR 500,000) Fixed-cost assumption: EUR 2,213.50 for authentication and notarial completion. This comprises EUR 1,870 for the authentication fee, EUR 250 for the execution fee for the list of shareholders (No. 22113 GNotKG), and EUR 93.50 for electronic completion using XML structured data (No. 22115 GNotKG). Hours assumption: No separate hours assumption.	Higher-value transaction (EUR 500,000) Fixed-cost assumption: EUR 0 in statutory authentication costs. Hours assumption: 0 to 1.5 hours of internal processing at an assumed standard cost rate of EUR 40 per hour.
Completion, list of shareholders or digital share register	Base case (EUR 25,000) Fixed-cost assumption: EUR 60 in register fees for receiving the list of shareholders and making the data and documents available for retrieval (HRegGebV, fee items 5002 and 6000). Hours assumption: No separate hours assumption.	Base case (EUR 25,000) Fixed-cost assumption: EUR 0 in fixed completion and register costs. Hours assumption: 1 to 3 hours of internal processing at an assumed standard cost rate of EUR 40 per hour.
	Higher-value transaction (EUR 500,000) Fixed-cost assumption: EUR 60 in register fees for receiving the list of shareholders and making the data and documents available for retrieval (HRegGebV, fee items 5002 and 6000).	Higher-value transaction (EUR 500,000) Fixed-cost assumption: EUR 0 in fixed completion and register costs.

	Hours assumption: No separate hours assumption.	Hours assumption: 2 to 4 hours of internal processing at an assumed standard cost rate of EUR 40 per hour.
Contract drafting and individual legal advice	Base case (EUR 25,000)	Base case (EUR 25,000)
	Hours assumption: 0 hours of additional legal advice. Contract drafting, clarification of the facts and legal advice are covered by the statutory notarial fees.	Hours assumption: 10 to 15 hours of external legal advice at a standard fee of EUR 250 to EUR 450 per hour (Horak Rechtsanwälte, n.d.).
	Higher-value transaction (EUR 500,000)	Higher-value transaction (EUR 500,000)
	Hours assumption: 0 to 1 hour of additional legal advice in more complex cases.	Hours assumption: 15 to 20 hours of external legal advice at a modelled rate of EUR 350 per hour (Horak Rechtsanwälte, n.d.).

Source: DIW Econ based on the sources cited.

Table 8-4: Ex post cost items for share transfers

Ex post cost item	Current German framework	EU Inc.
Recurring verification and review costs for the seller's entitlement and chain of title	Base case (EUR 25,000)	Base case (EUR 25,000)
	Hours assumption: 0 to 1 hour of external review at a standard fee of EUR 250 to EUR 450 per hour (Horak Rechtsanwälte, n.d.).	Hours assumption: 1 to 3 hours of external review at a standard fee of EUR 250 to EUR 450 per hour (Horak Rechtsanwälte, n.d.).
	Higher-value transaction (EUR 500,000)	Higher-value transaction (EUR 500,000)
	Hours assumption: 0 to 2 hours of external review at a standard fee of EUR 250 to EUR 450 per hour (Horak Rechtsanwälte, n.d.).	Hours assumption: 2 to 6 hours of external review at a standard fee of EUR 250 to EUR 450 per hour (Horak Rechtsanwälte, n.d.).
Legal opinions, warranties and other safeguards	Base case (EUR 25,000)	Base case (EUR 25,000)
	Hours assumption: 0 hours of specialised external legal advice.	Hours assumption: 0 to 2 hours of specialised external legal advice at an assumed specialist fee of EUR 800 per hour.
	Higher-value transaction (EUR 500,000)	Higher-value transaction (EUR 500,000)
	Hours assumption: 1 to 4 hours of specialised external legal advice at an assumed specialist fee of EUR 800 per hour.	Hours assumption: 4 to 8 hours of specialised external legal advice at an assumed

		specialist fee of EUR 800 per hour.
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Source: DIW Econ based on the sources cited.

Table 8-5: Ex ante cost items for capital increases and financing rounds

Cost item	Current German framework	EU Inc.
	Base case (EUR 25,000)	Base case (EUR 25,000)
	Fixed-cost assumption: EUR 437.50 for the notarial components of the capital increase where the subscription declaration is not drafted by the notary. This comprises EUR 250 for authentication of the resolution amending the articles of association (fee item 21100 GNotKG), EUR 62.50 for the execution fee for the list of shareholders (fee item 22113), EUR 12.50 for the associated XML structured data (fee item 22115), EUR 25 for certification of the subscription declaration (fee item 25100), EUR 62.50 for the commercial-register application (fee item 24102), and EUR 25 for the associated XML structured data (fee item 22114).	Fixed-cost assumption: EUR 0 in fixed completion costs.
	Hours assumption: No separate hours assumption.	Hours assumption: 1 to 5 hours of internal effort at an assumed standard cost rate of EUR 40 per hour.
	Higher-value transaction (EUR 500,000)	Higher-value transaction (EUR 500,000)
	Fixed-cost assumption: EUR 1,870 to EUR 3,272.50 for the notarial and formal components included (Sections 53(3), 55(1) and 57(1) GmbHG; GNotKG, Annex 1 fee items 21100, 21200, 21201 No. 5 or 24102, 22110/22113 and 22114; HRegGebV, Annex to Section 1, fee item 2500). Whether a supervision fee arises, and its amount, depends on the specific structure of the capital increase and the notarial activities undertaken in the individual case.	Fixed-cost assumption: EUR 0 in fixed completion costs.

	Hours assumption: No separate hours assumption.	Hours assumption: 3 to 10 hours of internal effort at an assumed standard cost rate of EUR 40 per hour.
	Base case (EUR 25,000) Fixed-cost assumption: EUR 200 register fee (HRegGebV, Annex to Section 1, Part 2 Section 5, fee item 2500).	Base case (EUR 25,000) Fixed-cost assumption: EUR 105 as a fixed-cost assumption. EUR 105 is used as a conservative German proxy for the upper end.
	Higher-value transaction (EUR 500,000) Fixed-cost assumption: EUR 200 register fee for a simple cash capital increase. Contributions in kind would attract higher fees (HRegGebV, Annex to Section 1, Part 2 Section 5, fee item 2500).	Higher-value transaction (EUR 500,000) Fixed-cost assumption: EUR 105 as a fixed-cost assumption. EUR 105 is used as a conservative German proxy for the upper end.
	Base case (EUR 25,000) Hours assumption: 0 hours of additional external advice.	Base case (EUR 25,000) Hours assumption: 2 to 4 hours of external advice at a standard fee of EUR 250 to EUR 450 per hour (Horak Rechtsanwälte, n.d.).
	Higher-value transaction (EUR 500,000) Hours assumption: 0 to 2 hours of additional external advice at a standard fee of EUR 250 to EUR 450 per hour (Horak Rechtsanwälte, n.d.).	Higher-value transaction (EUR 500,000) Hours assumption: 10 to 20 hours of external advice on contracts and investor rights at a standard fee of EUR 250 to EUR 450 per hour (Horak Rechtsanwälte, n.d.).

Source: DIW Econ based on the sources cited.

Table 8-6: Ex post cost items for capital increases and financing rounds

Ex post cost item	Current German framework	EU Inc.
Recurring review of earlier capital increases in later financing rounds	Base case (EUR 25,000) Hours assumption: 0 hours of additional external advice.	Base case (EUR 25,000) Hours assumption: 2 to 4 hours of external legal due diligence at a standard fee of EUR 250 to EUR 450 per hour (Horak Rechtsanwälte, n.d.).
	Higher-value transaction (EUR 500,000) Hours assumption: 1 to 3 hours of external legal due diligence at a standard fee of EUR 250 to EUR 450 per hour (Horak Rechtsanwälte, n.d.).	Higher-value transaction (EUR 500,000) Hours assumption: 4 to 10 hours of external legal due diligence at a standard fee of EUR 250 to EUR 450 per hour (Horak Rechtsanwälte, n.d.).

Source: DIW Econ based on the sources cited.

8.2 Assumptions for the company-level life-cycle analysis

The life-cycle analysis illustrates one possible trajectory for a growth-oriented company; it is not intended to represent a statistically average company life cycle. For later financing rounds and share transfers, it uses the higher-value case from the single-transaction analysis with a transaction value of EUR 500,000. In the quantitative model, downstream ex post costs are included only where one of the modelled events triggers a specific need for review or verification. Additional verification and review costs that may arise repeatedly in ordinary business operations are not quantified.

Table 8-7: Assumptions for the life-cycle analysis

Year	Life-cycle step	Cost category	Current German framework	EU Inc.	Model assumption
1	Formation	Ex ante formation costs	EUR 425	EUR 100 to EUR 800	Standardised base case. Current German framework: notarial formation/registration application and court fees. EU Inc.: registration and, where applicable, 0 to 2 hours of external advice at EUR 350 per hour.
4	Review and verification of formation and representation arrangements	Ex post formation costs	EUR 0	EUR 350 to EUR 1,050	A corresponding need for review and verification can arise in particular at a later financing round, but also in other major legal transactions or evidence requirements during ordinary business operations, for example when opening bank accounts, concluding leases or insurance contracts, or dealing with public authorities. The modelling conservatively includes only one such review in connection with the first later financing round. EU Inc.: 1 to 3 hours of external company-law review at EUR 350 per hour; for the current German framework, no additional review costs are assumed because of the upstream scrutiny and the evidentiary function of the commercial register.
4	Financing round I, EUR 500,000	Ex ante costs of a capital increase	EUR 2,070.00 to EUR 4,172.50 plus any	EUR 3,725 to EUR 7,505	Higher-value transaction. Current German framework: notarial involvement, registration and, where applicable, 0 to 2 hours of additional external advice; any notarial supervision fee depends

			applicable supervision fee		on the individual case and is not included in the reported range. EU Inc.: internal completion, registration and 10 to 20 hours of external advice.
7	Transfer of existing shares, EUR 500,000	Ex ante costs of the share transfer	EUR 2,273.50 to EUR 2,623.50	EUR 5,330 to EUR 7,220	Higher-value transaction. Current German framework: authentication/completion and list of shareholders. EU Inc.: internal completion, maintenance of the share register and 15 hours of external contract drafting or legal advice.
9	Financing round II, EUR 500,000	Ex ante costs of a further capital increase	EUR 2,070.00 to EUR 4,172.50 plus any applicable supervision fee	EUR 3,725 to EUR 7,505	Same assumptions as for financing round I. Any notarial supervision fee in the current German framework depends on the individual case and is not included in the reported range.
9	Review of financing round I	Ex post costs of the earlier capital increase	EUR 350 to EUR 1,050	EUR 1,400 to EUR 3,500	Review of earlier capital increases as part of the new financing round. Current German framework: 1 to 3 hours; EU Inc.: 4 to 10 hours of external advice, in each case at EUR 350 per hour.
9	Review of the earlier share transfer and chain of title	Ex post costs of the share transfer	EUR 800 to EUR 3,900	EUR 3,900 to EUR 8,500	Current German framework: review of the seller's entitlement/chain of title for 0 to 2 hours at EUR 350 per hour, plus 1 to 4 hours of specialised advice/safeguarding at EUR 800 per hour. EU Inc.: respectively 2 to 6 hours and 4 to 8 hours.
10	Ongoing operations	Potential recurring review and verification costs	EUR 0	not quantified	Even without a further corporate restructuring transaction, the EU Inc. may face additional review and verification requirements, for example vis-à-vis banks, landlords, insurers, business partners or public authorities. Because there are no robust assumptions on frequency and scale, no additional costs are quantified. The life-cycle calculation therefore does not include this potential ongoing burden.

Source: DIW Econ.