

## **Ireland's Contribution to the Green Paper on the interconnection of Business Registers.**

Ireland welcomes the publication of the Green Paper on the interconnection between Business Registers and believes that this is necessary in order to deepen the Internal Market.

Co-operation between business registries currently exists on a voluntary basis through the European Business Register (EBR) project, and participation in the Business Register Interoperability Throughout Europe (BRITE) Project. Ireland, through its membership of the EBR and BRITE, remains deeply committed to progressing on-going developments that will continue to enhance and improve communication between Business Registers.

In the Commission's view effective co-operation between business registries should cover two areas –

- (1) facilitate cross border access to company information and
- (2) provide for registry –to –registry co-operation in cross border procedures arising from a number of EU Directives e.g. Cross Border Mergers, European Company Statute(ECS) and European Co-operative Statute and Branches Directive. Also would cover seat transfers.

The Commission has suggested three options for taking the latter forward –

- (1) Build on the BRITE initiative
- (2) Adapt another EU initiative - Internal Market Information System (IMI) and
- (3) A combination of Options (1) and (2)

The indications are that these options would require legislative underpinning to a greater or lesser extent depending on the option chosen. Therefore, it would seem prudent to operate on the basis that any enhancement of existing co-operation arrangements, particularly if the legislative route is chosen, is likely to have significant cost implications for Member States.

If the legislative route is chosen the Commission have indicated they intend to carry out an impact assessment, however, Ireland believe there is probably a need for the Commission to have the whole project subjected to a full cost benefit analysis to see, in particular, if it warrants being a priority in these difficult budgetary times. A full cost benefit analysis will help to determine such things as the level of work on cross border procedures deriving from the various Directives/seat transfers and what aspects are not happening currently.

## **Recommendations**

- The proposed “governance agreement” between Member States and the business registries seems to constitute a practical basis for developing an accessible network of relevant business information throughout the EU. Ireland recommends that an agreement, perhaps by way of a directive, would enhance the progress towards full EU coverage at Business Register level.
- Ireland supports the cooperation and direct link between the electronic network set up by the Transparency Directive for the storage of regulated information on listed companies and the EBR centralised service providing access to the EU Member States business registers.
- Perhaps a stepped approach to advancing the project rather than trying to move everything forward at the same time would make more sense. In this regard, Ireland strongly recommends that the IMI should be used for appropriate services and should not focus on repeating operations in sectors that have already identified solutions to automated inter-institutional requirements. Furthermore, IMI is in the full control of the Commission, all Member States take part in the system, no significant investment is required from the Member States, and it could facilitate cross border mergers and seat transfers in particular.
- However, in the case of disclosure of Branches it would be necessary, Commission point out, to amend the Branches Directive (11<sup>th</sup>) to provide a legal basis for co-operation in this area. Ireland recommends that all member states should be required to participate in the Branch Disclosure Service (BDS) provided by the EBR to ensure that the 11<sup>th</sup> Directive operates effectively.

## **Company Law**

**Department of Enterprise, Trade and Employment**

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