



Ministry of Justice

Division for Real Estate and Company Law

DG Internal Market and Services /
Company Law, Corporate Governance
and Financial Crime Unit

**Statement on Green Paper ‘The interconnection of business registers’,
COM (2009) 614 Final**

The Commission’s initiative with the Green Paper ‘The interconnection of business registers’ is welcomed. As the Green Paper notes, cross-border activities are becoming increasingly common. There is also a growing need for sending information between the various business registers. The systems existing today for searching for information in the registers and sending information between them are inadequate. The Swedish Ministry of Justice therefore agrees with the Commission’s assessment that cooperation should be improved.

An obvious point of departure is the need for cooperation to be designed to take account of applicable rules for protecting personal integrity. Business registers may contain various kinds of personal data and economic information. It is important to highlight all potential effects of increasing access to this information and the exchange of information. It should also be ensured that the processing of data is clearly based on a legal ground.

Enhanced cooperation must not entail greater demands for reporting information on the part of the companies registered. It is also important that companies do not need to report the same information to several different government agencies. Cooperation should be based on the systems and information already existing. It should primarily focus on increasing access for companies, private individuals and agencies.

Another objective should be to involve as many business registers as possible in the cooperation. There is a value in including non-EU countries as well, at least in the part of cooperation involving the possibilities of searching for business information.

The various business registers are, as is generally known, designed in different ways in different countries. This means that the system selected must be flexible. Besides being able to handle not only the information registered today, it should also be adaptable as national business registers change.

In our internal consultations with the agencies and organisations concerned, it has been pointed out that the design of cooperation should be determined on the basis of company needs, and particularly those of small and medium-sized enterprises. Several of the bodies consulted emphasise that there should be an easy way of searching for business information in a single place and in one's own language. The aim of closer cooperation on business registers must be to reduce the administrative burden of companies. They also point out that it would be desirable for cooperation to be developed in a way that leads to savings for those compiling the registers.

With regard to the issue of how the details of enhanced cooperation should be determined, Sweden has no objections in principle to a governance agreement, if this solution is the most practicable way of bringing about cooperation between as many business registers as possible. However, it is important that the contents of such an agreement are carefully considered, so that responsibility for funding and operation, for example, is clarified. The complexity of these issues should not be underestimated.

Future coordination with the registers following from the Transparency Directive (2004/109/EC) may be worthwhile, if we are aiming for coordination that entails reduced administrative burdens. However, it is unclear what simplifications can be made. Requirements for reporting information may vary for each register. In any event, it should be possible to make it simpler to find the information available in the registers in a single context. Such a measure would have clear added value.

The Green Paper describes some alternative forms for enhanced cooperation with regard to cross-border mergers and seat transfers: the European Business Register (EBR)/Business Register Interoperability Throughout EU (BRITE), and the Internal Market Information System (IMI), or a combination of these. What these different alternatives would mean in practice is somewhat unclear. At present, therefore, no specific solution can be definitely recommended in favour of another. However, an obvious starting point should be to make full use of the experience gained up to now from work on the EBR/BRITE registers and to build on the practical solutions that work.

It should be stressed that there is nothing in practice to stop the various projects from being coordinated in some form. The basic question seems to be whether it is possible to build further on a

system that, in part, is based on voluntary cooperation. As far as the Swedish Ministry of Justice is concerned, it is prepared to participate in a process to determine whether it is possible to develop cooperation that, in part, is based on voluntary action, but it is also open to considering solutions based on increased EU legal obligations. One considerable advantage of voluntary components of this cooperation is that it would be easier for non-EU states to take part.

The Swedish Ministry of Justice agrees that the obligation to cooperate with regard to foreign branches may need EU legal regulation in the manner proposed by the Commission. This applies irrespective of the form the cooperation takes otherwise.

Before a decision on the further direction is taken, a more thorough account of the various alternatives needs to be given. It is important that the alternative chosen is cost effective. The goal should be that it does not lead to increased expenses on national or EU level. In order to make an assessment as to which path should be chosen, it is necessary to have an impact assessment of each alternative.